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NATIONAL PROBLEMS OF CURRENT NUCLEAR STRATEGY VIEWED

Paris DEFENSE NATIONALE in French Dec 79 pp 43-62

[Article by Lucien Poirier: "Some Present Problems of French Nuclear Strategy"]

[Text] Gen Lucien Poirier is not unknown to most of the readers of this review. A former member of the Planning and Evaluation Center, he was at the heart of the origin of France's doctrine of nuclear strategy, a doctrine which he has often explained at numerous lectures, especially at the IHEDN [Institute for High National Defense Studies] whose military section he headed for 3 years, as well as in numerous articles and one book. Too, in the independent position which is his at the Foundation for National Defense Studies, he is particularly qualified to raise the question of determining whether this doctrine is still valid. In the lecture that he delivered at the IHEDN, the manner in which he differentiated between the two existing forms of deterrence and he called the two tendencies which burden our minds seemed to be of a nature to considerably clarify the ideas of those who delve into the mysteries of the reasoning of deterrence and its application to French strategic problem.

1. Have the Fundamental Dimensions Changed?

The literature devoted to the strategy of French deterrence--dubbed of the strong by the weak--is abundant.

In addition to official sources (the White Book, declarations by high political and military authorities, explanations of the rationale of program-laws, and so on) which recall its political, economic, and technical justifications are the numerous books, articles, and lectures which describe this strategy and which detail its field of application or its conditions of validity, of credibility.

Starting from this basic information I want to make evident some of the difficulties which a middle-sized power such as France meets in practice in mastering the strategy of the nuclear age. These difficulties have favored the controversies to which our strategic doctrine has lent itself and continues to lend itself. The criticism has gone so far as to deny any value, any effectiveness to our military strategy even though its difficulties of application are normal and imputable to France's geopolitical and geostrategic position in the international system.

Additionally, it is in the nature of strategic decisions, as calculated, as rational as they claim to be, to have to face numerous and unavoidable uncertainties and to be unable to promise a 100 percent success probability in all imaginable conflict scenarios.

To throw light on the controversial issues and our present strategic problems a sound approach consists of examining the tendencies or drifts which affect the strategic model on whose basis the official "doctrine" has been very gradually formulated.

Undoubtedly, a policy of defense and military strategy could not be set and fixed in intangible formulas. However, if they must evolve this evolution will do no more than translate that of the political, social, technical, and other determinations to which the goals and ways and means of any military strategy are logically subjected.

The question which is raised is therefore the following:

1. Have the data on which our neclear deterrence strategy in 1965-70 was based changed fundamentally? Do the invitations to challenge that it has witnessed from the start and which are still evident today have any basis?

2. As a corollary do the prospects opened by the "European idea" affect our nuclear strategy?

2. The Two Modes of the Deterrence Strategy

Before going to the heart of the matter I believe it useful to return briefly to the concept of deterrence. More exactly, to the various modes of this strategy. These details are necessary to understand the difficulties raised by any idea of European defense and France's contribution to this defense.

We know that deterrence is a mode of action regarding someone else--a strategy of interdiction--as old as conflict situations.

Its goal is always to prevent an adversary from acting as he intended. This is done by producing a psychological effect of inhibition on enemy decision-makers, under the circumstances the political leaders

To this effect it is necessary and sufficient that the one seeking deterrence adopt measures, military and other, which prompt the would-be aggressor to recognize that the undertaking that he plans would be irrational or absurd if he went through with it.

For this result to be obtained the adversary must be placed before one or the other of the following two situations:

1. He must either find that his undertaking is doomed to failure, that if he moved to action he would meet such strong resistance that his chances of success would be low, even nil. In this case the deterrent effect is based on an unfavorable force relationship for the would-be aggressor. That is a strategy of deterrence that was routinely applied before the advent of the nuclear age and which we call "traditional." It is also on this deterrent mode that NATO's defense in the European theater is premised today. The allies expect the capability of conventional combat forces reinforced by tactical nuclear arms (whose firepower would be targeted on the attacking forces) to discourage the Warsaw Pact forces from crossing the Iron Curtain. It is thus on the force relationship which would be committed to this theater that one relies to prompt Moscow to circumspection.

2. Alternatively--the second mode of deterrence--the would-be aggressor is discouraged from taking action by the threat of applied nuclear retaliation, no longer against its military machine but against its living substance, its urgan concentrations and vital economic centers. According to this second mode, it is the consideration of a risk disproportionate to the stake of the conflict or one that is unacceptable no matter what the stake that produces the inhibiting effect. That is the innovation introduced in the strategy of deterrence by the weapons of mass destruction: Their probable effects are such that they make any nuclear war absurd because no political objective, no profit would be equal to the magnitude of such losses and damage, to the measure of the cost of the war.

In the present state of things the nuclear powers seem to be in agreement on this rule of the game. As a corollary this brings about the fact that the threat of massive nuclear retaliation is credible only to discourage aggression aiming directly and unequivocally at their national territory, called the sanctuary zone.

This limit imposed now in terms of the validity of nuclear deterrence singularly complicates, as we shall see, the problems raised by the defense of Western Europe.

These two types of deterrence--deterrence based on the probability of the aggressor's failure and the relationship of military forces, nuclear deterrence based on prohibitive risk--the ambiguities that they entail on the meaning of the word deterrence, have been enhanced since the origins of our deterrence strategy by two tendencies.

1. The first, a maximalist one, paradoxically tends to give it an excessive field of application and a validity without analogy to the true nature and real powers of deterrence of the strong by the weak.

2. The second, minimalist tendency, contrariwise may minimize the function of our deterrence, place its effectiveness, even its utility into doubt. One wonders especially about its compatibility with the strategy required by unified European defense, a constant question which is becoming more pressing when new prospects for European organization are opened.

3. Maximalist Tendency

Deterrence Alone

Our nuclear deterrence strategy of the strong by the weak met many opponents in France in the 1960's.

Thus, to win their support the promoters of the new defense policy speculated on the resolve to peace reflecting our national sensitivity. They put the stress on stability, on the state of nonwar which was to result from nuclear deterrence.

But in thus vaunting the merits of deterrence some individuals have implicitly come to identify the part with the whole, to equate the sum total of our military strategy with nuclear deterrence alone which is only one of its components.

This reductionism is dangerous because it undermines the political goals of defense mandated on a country such as France.

The goals of this defense policy cannot in fact be reduced to the exclusive protection of our national territory. Furthermore, this overlap has never been recognized by the fundamental documents defining our military strategy.

To be sure, all these documents have laid down a fundamental principle: France must first acquire and conserve autonomy of political decision-making in a world where bonds of interdependence are tightened, where crises to which we are vulnerable increase in number, but in which, too, we must act according to our own interests and freely decide our actions and reactions. They posited that one of the necessary--but not sufficient--conditions of this autonomy of political decision-making was the capacity to assume, through our means alone, the defense of our national territory against those direct military agressions that could jeopardize our survival. Hence the birth of our strategy of nuclear deterrence.

The Necessary Complement: Foreign Action Strategy

These positions have simultaneously raised in theory the question whether endowing the country with the military strategy and means of survival in the extreme hypothesis of an acute crisis would suffice to equip France with the means of a policy equal to the role that it can claim to play in the world.

We are constantly involved in the life of the international system. We can be involved in disputes leading to regional crises and conflicts which can inandate our military commitment. Such commitment obviously does not fall under nuclear deterrence since the threat of retaliation on which it is based is credible only for the protection of our national territory and what it contains.

In other words, if the strategy of nuclear deterrence enables us to hope for autonomy in political decision-making, if it enables us no longer to be dependent on a military and therefore political guardian for the direct defense of our land, if it thus provides us with degrees of freedom in international action, it does not for all that give us the means to act militarily outside our borders if the situation should demand it.

France must therefore complement its nuclear deterrence strategy with a so-called foreign action military strategy.

This duality of strategy seems to be self-evident to us. However, we must admit that the obsession of defending our territory has made us lose the habit of considering our armed forces as our support in foreign policy. Yet, that is one of their natural functions.

Whenever a state has economic, cultural, and other interests scattered in life prevail, whenever it has friends and allies, it can become involved in regional crises. It is unquestionably interested in the stability of regional balances. It can be led to participate militarily in their restoration but its interests can prompt it, too, to exploit a crisis diplomatically and militarily.

Foreign action strategy thus evidences itself in the presence of armed forces in sensitive regions, in demonstrations, in the protection of communications, even in the use of force.

Undoubtedly it is necessary to adapt the goals and means of this foreign military action to the measure of our interests and our international responsibilities, and also to the scale of our possibilities which are limited. The foreign action of a country such as France is not then planned, under most crisis hypotheses, wherever a crisis manifests itself, without the cooperation of its allies of the moment.

Unquestionably--and this is often a determining constraint--we must be aware of the limitations that national and international sensitivity mandates today on foreign action strategy.

While we find every day that the degrees of freedom of a medium-sized power like France are limited on the international scene by the obstacles imposed by the rivalry of the superpowers--and at times their connivance--we also find the reticences, even opposition of domestic opinion to what it often perceives as an "outside adventure."

It is necessary to impute this domestic difficulty to a misunderstanding of the dynamics of the international system, of the conflictual nature of international relations, of the function of military strategy, one instrument among others of foreign policy.

Difficulties of a Dualist Strategy

Let us also admit that by putting the stress, rightly so, on the nuclear deterrent component of our security we increase the value, in the eyes of public opinion, the desire, and the means of nonwar at the expense of an indispensable preparation for the effective use of the armed forces--a use which must not be pushed, outside of our borders, even if what are involved are merely operations with very limited goals and means, even specific ones, and commitments in an inter-allied context.

Today as yesterday and as in the foreseeable future the fundamental problem--and the often insurmountable difficulty--of our military strategy therefore presents itself as follows:

1. How to harmonize these two complementary opposites, nonwar and war?

2. How to handle crises between these two contradictory situations?

3. How to distribute the available and foreseeable resources between systems of military force, one of them geared to nonwar and the other to war?

4. How to include in our dualistic military strategy and have our allies admit that a component of this strategy--nuclear deterrence--is necessarily autonomous since it protects our territory, our people, our identity, our sovereignty (permanent "interests" that no state can share with anyone) in the face of direct aggression and that, simultaneously, another component--action strategy outside of our borders--is no less necessarily inter-allied strategy since it meets common interests of the moment?

These difficulties, imputable to the dual nature of our strategy, seem to be singularly serious when what is involved is the defense of those common interests, this time outside our borders, involved in the security of Europe.

That is where the second part which I mentioned at the start appears: The minimalist tendency consisting of questioning the function of our nuclear deterrent and reducing its scope in the interest of greater contribution to the defense of Europe.

4. Defense of Europe and the Minimalist Tendency

Division of geostrategic space

We have seen that large-scale destructive nuclear weapons and the deterrence strategy that they make possible divide geostrategic space into two separate zones:

1. The national territories of the nuclear powers, so-called sanctuary zones. In the present state of things they are the only ones which enjoy protection against direct military aggression through the threat of nuclear retaliation targeting the live resources of the aggressor, his sanctuary zone.

2. Nonsanctuary territories which, not enjoying the privilege of protection by this threat, can be the site of regional conflicts, of the indirect strategy of the great powers using clients and allies, and of the limited armed conflicts that can escalate up to the use of the ANT [Tactical Nuclear Arms].

For France, a nuclear power, in which of these two spaces should Western Europe be placed, the territory of its neighbors and allies?

According to strict strategic logic France has planned its nuclear deterrence for the extreme hypothesis in which it would have to face the aggression of the Warsaw Pact forces near its borders. It is this threat against its sanctuary zone, its essence, and this alone that would justify the execution of its threat of nuclear retaliation giving it credibility in the eyes of the aggressor.

However, France is part of the European continent. It would be difficult to see that it would be attacked in force without central Europe or northern Europe or the Mediterranean region being attacked first. For the first time our sanctuary zone is protected by a land and maritime glacis.

A member of an alliance, France has undertaken the obligation to help its attacked neighbors. That it left NATO's integrated military organization only makes it possible for France to freely decide, when the time comes, the terms of its commitment--should it indeed deem that such military commitment is politically justified.

France is thus placed in a unique geostrategic and geopolitical position. It is the only nuclear power of the Atlantic Alliance whose territory

belongs to the European continent. There is no break in continuity, no geographic break with European land space. If the enemy overlooked the risk of our retaliation on its sanctuary, if it deemed it appropriate for its political plan, it could cross our borders in the crush after breaching NATO's defense system. Given the thinness of the glacis it would seem to be strategically reasonable not to dissociate the defense of our territory from that of its approaches. But how should one not dissociate these two defenses since our national territory benefits from our deterrent protection given that the glacis cannot theoretically benefit from it?

France is not and cannot be politically neutral. It feels itself bound to its neighbors by a common destiny. Let us note, however--and this mandates some prudence in our conception of European solidarity--that this is a foreign policy choice, a choice which is undoubtedly necessary in the present prospects of a European future under development. But as long as it is not consecrated by political unity blending our sovereignty into that of a Europe endowed with a single political decision-making center, this choice can always be challenged. Divergences of interest could appear if a grave crisis were to break out and develop for reasons not evident to us today but which our military strategy must take into account. How, under these conditions, should one not consider our nuclear deterrence as the ultimate weapon? How can we agree to dilute it within a European defense system that is so contingential in the present state of affairs?

In short, if our metropolitan national territory constitutes the only sanctuary zone--that is, the only one benefiting from the deterrent protection provided by our nuclear deterrent forces--can we for all that consider European space as a kind of nonsanctuary zone in the not improbable event of aggression by the Warsaw Pact forces?

If this European space has great value for us, how should we reconcile our contribution to its defense with our strategy of autonomous nuclear deterrence?

Threat from the East

The danger represented by the presence of the Warsaw Pact forces in the heart of Europe is evident even if the policy of detent which Moscow has underwritten since the Cuban crisis (1962) does not seem to be challenged today. But it could be tomorrow in a different international context.

Opinions differ on the seriousness of what is called the Soviet threat. Let us not confuse the military potential with our adversary's political intentions. Leonid Brezhnev has said on several occasions that general nuclear war should be avoided. In contrast to what is often asserted he made reference to deterrence (vide his Toula speech on 18 January 1977). But it is obvious, too, that Moscow has constantly

striven for parity and then nuclear superiority vis-a-vis the United States. The SALT I [first Strategic Arms Limitations Treaty] agreements have not ended the qualitative nuclear-ballistic arms race and the SALT II agreements, which are slated to be concluded shortly, are variously evaluated by observers--uniquely by Western observers who see with concern that the USSR is expected to acquire by 1985 a counterforce capability that would enable it to destroy, through a surprise attack, the near-totality of ICBM's [Inter-Continental Ballistic Missiles] and those of United States bombers that would not be on flight alert.

Such Soviet counterforce capability could prove to be decisive during a crisis. It is believed that, partially disarmed by a surprise attack on their ICBM's, the Americans could hesitate to respond by firing missiles from their submarines (SLBM's [Submarine-Launched Ballistic Missiles) and by hurling their unscathed bombers against Soviet cities. Moscow, in fact, would still have residual capability left to it, after its first strike, to counter-respond against American population centers. One may question the validity of these assertions. But this perception of the force relationships and their consequences exists. And that is the perception which determines political and strategic behavior in a crisis. The accession of the USSR to a counterforce capability could not fail, some say, to impact on the tendency, already very strong, of Americans to decouple [unlink] the defense of Europe from their own nuclear defense.

Indeed, how should one believe that the Americans would take the initiative in nuclear retaliation on the [Soviet] sanctuary in response to the crossing of the Iron Curtain when their own strategic weapons would in part be vulnerable to a Soviet counterforce initiative? How would the Americans' nuclear deterrence retain the slightest credibility to protect the nonsanctuary space which Europe is when their own national territory would be vulnerable? How would they not fear, even more than before, escalation in the European theater of operations? Would not all these uncertainties redound to the benefit of the USSR if a serious crisis should occur?

This matter is of increasing concern to Europeans--especially our German neighbors--and the Americans themselves. To tell the truth, Soviet quantative and qualitative progress in ballistic-nuclear arms does nothing but strengthen the already old opinion--in France dating back to Gen Charles de Gaulle--an opinion that our allies refused to share and according to which the credibility of the American deterrent cover was jeopardized as soon as the Soviets had deployed a panoply enabling them to strike at the American sanctuary and had thus installed reciprocal nuclear deterrence.

Had the Kennedy-McNamara administration not recognized at least implicitly that Moscow would not find the United States credible if the latter claimed to protect Western Europe by the threat of automatic

nuclear response against Soviet territory? Indeed, did they not admit their revulsion before this extreme and overly risky situation for their population when they imposed on NATO by way of a substitute the doctrine of graduated response? This doctrine has it that on the occurrence of an enemy offensive NATO would respond by active defense using committed conventional forces as close as possible to the Iron Curtain. The allied tactical nuclear arm, under control of the American President, would be used when necessary but as late as possible in order to postpone and if possible avoid an escalation that could lead to paroxysmal nuclear war.

Deterrence for Europe: Unfavorable Force Relationship

That is why, being unable to base the defense of Europe on hardly credible nuclear deterrence, the United States has always advocated the reinforcement of the resistance capacity of conventional allied forces benefiting from tactical nuclear fire. This is a defense capability of such a nature that one could hope that Moscow, dubious of overcoming it at an acceptable price, would in the last analysis shun a contingential and unprofitable adventure. Thus, failing deterrence based on prohibitive risk, the allies have opted for another form of deterrence that I mentioned at the outset--that which is premised not on nuclear risk but on an unfavorable force relationship for the possible aggressor.

That is why the United States has continued to ask its European allies to make an increased military effort to fill the gap between NATO forces and those of the Warsaw Pact (for example, 7,000 battle tanks against 21,000 in the central European theater).

That is why the United States has also proposed to outfit the NATO forces with PGM's [Precision Guided Missiles] whose probability of hitting their targets, close to 100 percent ("one shot, one kill"), would make it possible to offset some disparities with the enemy's strength.

Let us note that these expedients also strive to postpone resorting to tactical nuclear arms or "theater nuclear arms" for fear of the escalation which, in the long run, could involve American territory. The number of paylaods on each side is probably equal even though for a long time now the figures of 7,000 for NATO against 3,000 for the adversary have been mentioned. But for some time now Western observers have denounced the efforts of the Soviets to add to their superiority in conventional weapons a superiority in theater nuclear arms. Accordingly, one notes the appearance of the Backfire bomber and that of the SS-20 missile (mobile land missile with a range of 3,500 km carrying three MIRV [Multiple Independently Targeted Re-entry Vehicle] warheads of 250 kilotons) of which 200 are reportedly being deployed now out of the planned 1,200.

These weapons systems are known to be of the "gray zone" because they are not included in the SALT agreements and are constantly the subject of challenges in the same way as the FBS's [Forward Based Systems] such as those which outfit the United States Sixth Fleet in the Mediterranean.

Undoubtedly, these Soviet changes do not represent a direct danger for the territory of the United States (except the Backfire bomber after in-flight refueling). These arms have as their targets forces in the European theater whereas the Americans do not yet have theater arms making possible a response on the Soviet sanctuary from Europe to an attack by SS-20's. The Pershing I missile has a range of only 720 km, the Lance, of about 120 km, and the Honest John of no more than 40 km.

Our European allies thus feel themselves to be at the mercy of a surprise nuclear attack on their territories, of a fairly accurate pre-emptive strike from Soviet territory to disarm them by destroying American tactical nuclear arms before an offensive of armored and mechanized forces that could subsequently exploit their superiority with impunity.

Initially and after shilly-shallying, the Americans proposed to their allies the deployment of arms with enhanced radiation effect (the neutron bomb) capable of neutralizing enemy tank crews while lowering the level of collateral damage on friendly forces and populations--thereby boosting NATO's defensive capabilities. The Europeans evidenced reticences after a campaign of protest vigorously sustained by Moscow.

Since then the United States has envisioned the deployment in Europe of cruise missiles and of a new theater missile, the Pershing II, capable of reaching Soviet territory. But our German friends shun receiving by themselves these latest weapons which, obviously, would be the privileged targets of a pre-emptive enemy strike.

Problem of "Decoupling"

The problem of the defense of Western Europe thus continues to be total to the extent that decoupling increases between the defense of the theater and American nuclear deterrence.

Some suggest not without reason that the umbrella of American strategic arms extends over Europe. According to them the latter represents a major stake for the United States and, if the battle took a bad turn on the European theater, the Americans would inevitably brandish their threat of massive retaliation to halt the enemy offensive. This uncertainty and the prospect of a likely escalation with unforeseeable consequences cannot fail to weigh on Moscow's plans.

That is true. But this position is not completely reassuring for the Europeans. For before Washington decided to strike Soviet territory with nuclear arms the battle would have devastated Europe. One can also imagine the aggressor restricting himself to limited military exploitation of the crisis and halting its progression westward before the escalation process led to American strategic response and that, having seized substantial resources, he would indulge in diplomatic bargaining in which our neighbors would get the short end of the stick.

The European states of the Atlantic Alliance are classified into nuclear powers and nonnuclear powers, including the Federal Republic of Germany, which is under a ban that is not likely to be lifted in the near future. Will the FRG go nuclear some day? Perhaps, but what in the meantime?

Despite its dependence on the United States which supplied it with the Polaris warheads arming its nuclear missile-launching submarines--and which it will soon have replaced--despite its contribution to NATO's nuclear bombing plans, Britain retains deterrent capability protecting its territory. It enjoys especially an insular location which protects it, no matter what is said, from immediate invasion in the crush of an enemy push to the west. With 55,000 men on the European continent, Britain contributes to the NATO defense system.

If French-British cooperation in the ballistic and nuclear fields can be conceived--pooling of research, development, even some construction--this cooperation would imply leaving the American orbit but the psychological conditions for it does not appear likely to be met soon.

The Minimalist Templation: To Reduce the Function of Our Autonomous Deterrent

It is in this political and strategic environment that our defense policy falls. It is that context which leads to the templation mentioned at the start of this presentation: A templation to reduce the function of our autonomous deterrence, to blend it within a united and integrated European defense. This is a minimalist templation based on the axiom that, if the enemy breached the NATO defense, system and appeared as victors at our border, our threat of nuclear response on its sanctuary would already have lost all its credibility. What would be the meaning, the challengers ask, of autonomy in decision-making and sovereignty for a besieged France, cut off from everything? In this prospect of isolation, which French head of state would find the necessary popular backing and support to turn to the weapon of massive destruction? It is singular pessimism and short political vision which overlook the fact that the position of besieged is still preferable to that of conquered and occupied and that it makes it at least possible to await better days as history evidences eloquently.

Under these conditions, the skeptics continue, why not admit that French space is part of European space, that the operations theater is integral, continuous, given the shallowness of the glacis? Hence some theories consisting in coordinating our military strategy more than it is now with allied strategy.

The first would consist in setting up European nuclear deterrence planned around the core constituted by British and French nuclear forces and which would replace American nuclear deterrence whose credibility is doubtful to say the least.

This planning forgets that a threat of European retaliation would not be credible for a possible aggressor unless, among other conditions, a supreme political organ, recognized by all Europeans, were qualified to make nuclear decisions inandated in a situation of grave crisis, a crisis which, let us not forget, would nto involve in analogous manner, as seriously and at the same moment, the vital interests--the survival--of the Germans, Italians, Belgians, Dutch, British, and others. Now, it is this single threat perceived identically at the same time by all Europeans which would justify the decision of a joint political executive.

In other words, it would be necessary that the decision to involve the British and French nuclear strategic forces be perceived as equally justified by the inhabitant of Bordeaux, Liverpool, and Hamburg. Can such a consensus be achieved in short order? The community of destiny is perceived by most Europeans when economic interests are involved--and even then--but would the same be true if it became necessary for everyone to assume the nuclear risk when only some of them would be on the point of losing everything? Is this political consensus close by? Is it even imaginable when, within one nation (in France, for example), opponents challenge nuclear defense?

The other solution, often mentioned, would be a wait-and-see alternative while hoping that the political and psychological problem that I have just mentioned would be solved.

It advocates the improvement of our tactical air-land forces by strengthening our range of tactical nuclear arms--for example, with the neutron weapon or the cruise missile--and by participating more closely in the NATO defense system. By contributing in this way without reticence to enhancing the combat capability of our allies, by becoming more thoroughly integrated in the allied setup, the NATO deterrence based on force relationships would be reinforced. In case this deterrence should fail the chances of active defense would also be accrued. How should we respond to that?

Our contribution to European defense is in the nature of things for the already stated reasons. French doctrine has always held that, except

for what pertains to nuclear deterrence protecting our sanctuary zone--an autonomous strategy let us recall--our action was to be "blended" (as General de Gaulle used to say) with that of our allies. This is what has been done by virtue of agreements on the stationing and deployment of forces as a function of commitment scenarios involving our tactical forces taking into account the hypotheses of commitment of our allies themselves. These are only hypotheses, that is, possible decisions, since the real decisions which the situation would prompt us to take could not be imposed on us by the predetermined mechanisms of the integrated military organization. Why would we deny ourselves these degrees of strategic and political freedom when no one can anticipate the behavior of our neighbors and that of the United States in case of serious crisis?

Can we do better? Let us not forget first that France is a medium-sized power with limited resources and that, second, our contribution to the defense of our neighbors must not jeopardize the effectiveness, that is, the credibility of our autonomous neclear deterrence in the eyes of a possible aggressor.

It is known, for example, that the use concept of our tactical nuclear arms is linked to our deterrence alone. How could it be otherwise for a power whose military strategy can only be that of the weak before the strong if the NATO setup were breached? What contribution could our tactical nuclear fire, even increased in significant proportion, make to a NATO defense force with 7,000 warheads? Especially, can the weak allow himself to use nuclear fire on the attacking forces of the strong before the latter has clearly evidenced, by his operations, his intention to invade the territory of the weak? Would it not be to invite a response on our territory, a nuclear counterblow which would disarm our deterrence? Would we want to deploy a very superior range of tactical nuclear arms, would we have the financial means for it? Since deterrence of the strong by the weak rests essentially on the threat of annihilating a sizable portion of the enemy core and on arms systems of low vulnerability, how should we not earmark a sizable portion of our resources to nuclear missile-launching submarines, to strategic ballistic-nuclear systems, to their number and their maintenance at a sound technical level? If other arms systems appeared or innovations capable of reinforcing the credibility of our nuclear deterrent--which must always be examined in the perspective of nuclear deterrence of the strong by the weak--should we not direct our efforts at them, and this as long as a basic change has not occurred in the structure and political conscience of Western Europe? These are difficult questions but the answer is undoubtedly not the easy solution consisting of questioning our deterrence once again.

5. Problems and Realities

I am aware of having gone too rapidly over some of the fundamental questions raised by our defense and by security in Europe or not having provided any answer that is fully satisfactory.

There is nothing surprising in this: Military strategy is a living thing which is evolving constantly. Its solutions are always provisional and none has ever nor will ever be able to provide a 100 percent guarantee against all conceivable dangers. Strategy is always a compromise between various demands and paradoxical constraints. It has always involved and will always include something of a gamble--that imposed by calculations and decisions burdened by heavy and unavoidable uncertainties.

France is placed in a unique and ambivalent political-strategic position. It is this situation which creates the French problem.

How can we conceive the means and conduct of a military strategy claiming theoretically nonwar for our sanctuary zone and assuming simultaneously our participation in war beyond our borders? What forces should we assign to each component of this dualist strategy? Political reason and strategic logic mandate that a good distinction should be made so that the possible enemy should know that a moment would necessarily come when the deterrent nuclear risk would take shape. The geographic continuity of the theater conceals a discontinuity of our strategic goals and of our political goals in the two regions of this space--the nonsanctuary zone and the sanctuary zone.

Western Europe is in gestation. It is far from being sufficiently united to make possible the establishment of a defense system that is exclusively European, allied to the United States no doubt, but fairly autonomous to define its own goals and strategic means serving its own policy. This does not imply that it is unnecessary to start building such common defense. But if we wish to escape the rhetoric of the utopias it is necessary that the Europeans not conceal certain realities from themselves.

First, the decoupling will probably continue to become accentuated between the nuclear deterrence of the United States and the protection that it offers Western Europe. This dissociation will correspond to its perception of the danger signified by the growth of the Soviet ballistic-nuclear capability. However, such nuclear decoupling does not imply, within the foreseeable future, that the United States is disinterested in the defense of Europe and its northern and southern wings. It is hard to see why and how the United States would proceed with the radical disengagement of its forces stationed on our continent.

This reality--the United States commitment--is ambivalent: It reassures the Europeans but it hardly encourages them to assume responsibility for their security themselves.

Britain's and especially France's nuclear capability is a factor of contradiction in the united defense of Western Europe. But we must guard ourselves from exchanging something for nothing and swapping the reality of our deterrent capability for mere highly contingential plans of advanced defense. Our deterrence is not nil. The allies recognized this fact in their Ottawa declarations of 1974 and the Soviets take good care not to ignore it since they have constantly sought to include our nuclear strategic force in the SALT agreements. There is again talk of it in connection with prospective SALT III agreements. THe French head of state has taken a firm position in the face of this line of thinking. On 10 January 1979 and at the time of the communique concluding his visit to Romania President Valery Giscard d'Estaing confirmed his position: The French strategic nuclear force is not "negotiable."

The Europeans are undoubtedly united but, in the present stage of affairs, their economic and cultural solidarity has not become translated politically to the point that it is possible to solve all the strategic contradictions imputable to the nature of things.

Is this conclusion disappointing? To be sure, but history is continuous creation.

2662
CSO: 3100

EP PRESIDENT VEIL INTERVIEWED IN STRASBOURG

Madrid EL PAIS in Spanish 16 Jan 80 p 7

[Interview with Simone Veil, president of the European Parliament, by Feliciano Fidalgo in Strasbourg, 15 January 1980: "Statements Made to EL PAIS by the President of the Strasbourg Assembly"]

[Text] Simone Veil, president of the European Parliament since June 1979, opened the working sessions of the joint committee of the Spanish Cortes and the Community's Assembly. At the start of this visit by the Spanish parliamentary delegation, she emphasized "Spain's contribution to the strengthening of democracy, to the defense of human rights and of freedom in Europe." Simone Veil, born in Nice, 51 years of age, with green eyes, acknowledge as well as personality, married with three sons, four grandchildren, deported during World War II, has been a renowned judge and a French minister from 1974 until she was elected to be the first president of the European Parliament, chosen by popular suffrage. She was the one who introduced the so-called "Veil law" abolishing the penalties for abor

[Question] The European Parliament elected by universal suffrage has existed for 6 months. After this initial stage how do you assess the reality of the new European institution, or just what is the point of the parliament?

[Answer] What drew my attention the most was that the parliament quickly demonstrated that it was a political assembly. Instead of wandering off in technical debates on community regulations, it immediately took an interest in the most significant political issues in today's Europe. The parliament has known how to take decisions on the community's budget, on Europe's economic convergence, on aid to Cambodia. I consider that on balance the first months have been entirely positive even if there have been procedural difficulties occasionally. The parliament, furthermore, will endeavor to organize a substantive debate on a major issue during each of its monthly sessions. Now, if it is clear that the will for Europe is genuinely the feeling of

virtually all of the parliamentary members. And since the parliament's political authority is greater because it proceeds from universal suffrage, I am convinced it will contribute directly to the effective functioning of the community.

Concrete and Realistic Proposals

[Question] The parliament recently debated important issues such as energy, Europe's juridical space and armaments. Do you think this kind of discussion can be useful on a long-term basis within the restricted framework of the parliament's present powers?

[Answer] As you say, within the framework of its present powers the parliament has been able to debate significant issues and express well thought out views. I think it can have real influence on the strength of its present powers if the authority conferred upon it by treaties is exploited to the utmost provided that specific and practical proposals are made based on work and in depth discussions.

[Question] After the initial sessions what has the parliament taught you that can serve in building Europe or simply what has it taught you personally?

[Answer] I am going to answer you on a personal basis first: The presidency of this assembly is a new responsibility for me and has doubtless been a source of personal enrichment at both the intellectual and psychological levels. But your question has greater significance at the European level: I think that we, the parliamentarians, have learned first to know each other taking into account that we come from nine different countries with all of their inherent special characteristics. And what seems most important to me beyond any doubt is the determination displayed by the great majority of the parliamentarians to participate actively in achieving a community policy. I have also been able to observe that for the majority of the members of the parliament the building of Europe is not only fitting but also necessary for the future of their country.

Policy Running Counter to History Cannot Be Made

[Question] Along with the building of Europe a resurgence of nationalism and regionalism is observed. Is the Europe of nation states possible without taking them into consideration?

[Answer] Policy cannot be made that runs counter to the flow of history, it is not possible to move against the deep tendencies, popular feelings or sociopolitical instincts. It is impossible to deny that for some 20 years regional feelings have become stronger as compared with the period in which a policy inspired by pro-world feelings began: The movements for esperanto and passports for citizens of the world are no longer in style.

This evolution doubtless represents a reaction against a world that is becoming more anonymous and more technocratic every day. Today's man

consequently feels a need to seek out his roots and to affirm his sense of belonging, of his individuality, ties with a people, a city, his region and a cultural collectivity. It is a fact of civilization that cannot be underestimated and Europe must therefore transform itself in such a way as to acquire its own identity without the other forms of identification disappearing as a result. This is a wager that must be won.

"I Am Profoundly Feministic"

[Question] Are you a feminist? Does the absence in parliament of feminist, ecological groups and other social movements respond to European realities at the end of the 20th century?

[Answer] Yes, I am deeply feministic. But for political leaders feminism in my opinion should be expressed in concrete proposals making mental outlooks progress and enable women to exercise their rights effectively. Europe can play a role in this sphere eliminating all discrimination and debating the problems of women in modern society.

You say there are no feminists in parliament. In any event there are 65 elected women representing a greater ratio than that of the various parliaments of the community. Many of these women are feminists in their countries but, being realists, they have chosen to be more effective and because of this they are working in this parliament or in political parties. In a more general way it cannot be said that important social groups are not represented in the European Parliament.

Universal suffrage is actually the best system for all categories of citizens and all of the major tendencies to be represented. When one attends a parliamentary session the diversity of the tendencies present is confirmed and as regards the ecologists, the majority of the political parties have taken up many of their concerns.

[Question] Has parliamentary practice exposed a new categorization between the partisans and the enemies of Europe?

[Answer] With the exception of the Danes the majority of the parliamentarians are pro-Europe. Others, such as the British Labor Party members and the French communists, argue over the value of the European institutions but accept the principle of participating in their activities because of their possible benefits. There are those who favor an evolution towards supranational institutions and those who are radically opposed to them. These classifications do exist and on occasion are clearly made manifest, but a very subtle balance is observed between the national and the community stands.

[Question] There is talk of your being a future French prime minister but on the other hand you are a woman. What is your view of your political future and what significance do you attribute to your career in this society which is still very much male-dominated?

[Answer] I do not wonder about my political future. I was elected president of the European Parliament for 5 years and in a lifetime that is a long period. Nor do I attribute any special significance to my career and do not draw conclusions as to the possibilities for women's careers in a male-dominated society. And this latter point because, contrary to what happens to other women, I was a minister just because I was a woman. In any case, women's access to highly responsible political posts is still very difficult and unless there is strong solidarity among them women's rise will be even slower than people think.

"It Is Normal for Spain to Have a Place in the EEC"

[Question] From where you now stand, how do you feel about the expansion of the Common Market especially with respect to Spain? Could one anticipate collaboration between the parliament and the candidate countries?

[Answer] In the first place, seeing the problems raised and the concern expressed, it is normal for Spain to have a place in the EEC; but timely appropriate steps must be taken to avoid difficulties and tensions when interests diverge or when very different situations have not been foreseen and agreed upon ahead of time. One cannot forecast a place for a candidate country in parliament, but interparliamentary cooperation seems useful and desirable. This cooperation already exists, especially with Spain. Today in fact I was pleased to receive the joint delegation of the Spanish Cortes in Strasbourg. And naturally Spain's membership in the EEC was one of the topics of our talks.

[Question] Which is your Europe?

[Answer] In the first place a Europe of reconciliation among our peoples, who smashed each other for so long a time. This Europe of friendship must be a Europe of solidarity with the most disadvantaged. On the other hand, this Europe must be the Europe of specifics, with everyone working together on key projects like Airbus and Arianne. And, on the other hand, my Europe is a cultural Europe because what can weave bonds among the peoples of Europe and lead them towards union is for all of them to belong to a common and very ancient culture. In a brief phrase I would say my Europe would be that of reason which as a result would also be that of the heart.

8094
CSO: 3110

EFTA AGREEMENT: EFFECTS ON SPANISH-PORTUGUESE TRADE

Lisbon O DIA in Portuguese 28 Jan 80 p 3

[Text] An article published in FUNDEXPORT (organ of the Export Promotion Fund) states that Portugal will benefit from special terms in exporting to Spain as a result of the agreement that Madrid signed with the EFTA [European Free Trade Association].

The article, signed by the Fund's representative from Madrid, A. Dias Liz, studies the effects of "Annex P," which governs the commercial exchanges between Portugal and Spain and which is contained in the treaty signed between Spain and the European Free Trade Association.

The purpose of this "Annex P" is to allow for an increase in Portuguese exports to Spain, by granting a more favorable system to Portugal, from the standpoint of ocrrecting the current lack of equilibrium in the trade balance between the two countries, which susually shows a large deficit for Portugal (10,500 contos in 1978).

In order to achieve this equilibrium, the reduction in customs duties between Portugal and Spain will take place in two periods: during the first, consisting of 4 years, Spain will take steps to gradually eliminate its customs duties; while Portugal will be able to reduce its customs barriers more slowly and in a more limited fashion.

Since the agreement will have to be approved by the parliaments of the two countries and by the other members of the EFTA, it is due to go into effect at the end of 1980; after which time it will give Portuguese exports to Spain an extremely favorable status.

The aforementioned study notes that, together with this treaty, the bilateral agreement on trade in agricultural products signed between Portugal and Spain will go into effect. This also calls for a schedule of reductions that will be quite favorable to Portugal.

Specifically, Spain will grant Portugal a 50 percent reduction in the duties which are in force for a consignment of 10,000 liters of bottled wine

designated as being of Porto origin, and another consignment of 1,000 liters of Madeira wine.

But the study stresses the fact that the advantages for Portuguese exports can only result if Portuguese business owners show aggressiveness and dynamism, "abandoning the traditional attitudes of skepticism and disbelief which have seriously limited the effectiveness of the negotiations with Spain."

As for the products to be exported to Spain, still according to the same article, in addition to the traditional ones, there should be some new products enjoying special benefits. Those products will include wines (Port, Madeira and table varieties), furniture, footwear, textiles (from cotton filament to hard fibers), household textiles, readymade clothing, glass and household ceramics, and arts and crafts (embroidery).

There is also a possibility of a rapid increase in exports of other products, such as construction materials (hardware, faucets, marble and granite, industrial ceramics and structural cork).

More developed industrial sectors, such as those with a certain type of machinery and transportation material, are also mentioned in the study in question as being scheduled to participate in Portuguese exports to Spain. As for the activities of the Export Promotion Fund in Spain, their essential goal over the short term is to double Portuguese exports during 1980.

2909
CSO: 3101

TV, NEWSPAPER RESPOND TO MOSCOW ATTACKS ON GENERAL KUNTNER

[AU080808 Editorial Report AU] Vienna Domestic Television Service in German 2050 GMT on 6 February carries a 16-minute program responding to I. Melynikov's dispatch from Vienna, published by Moscow PRAVDA on 6 February. Entitled "Careful, General," the Melynikov article attacks Austrian Federal Army General Wilhelm Kuntner, head of the National Defense Academy of the Austrian Federal Army. The program opens with the announcer reading a German language translation of the PRAVDA article and notes that the dispatch is printed next to a cartoon referring to NATO plans for the deployment of missiles in Western Europe.

The announcer corrects the dispatch insofar as General Kuntner made the alleged remarks in a radio statement [date not mentioned], not on television, and plays back what the general had actually said. Kuntner is heard stating: "First, I do not believe that there is any question at all of an alteration of the state treaty or, that it would be necessary. Neither do I need an interpretation by Austria, because all our treaty partners, the Soviet Union, Great Britain, the United States and France have already interpreted--by means of deliveries of such tactical weapons systems, that is defense systems to other states that are bound by the same content of Article 13 [of the Austrian state treaty]--what they believe it does not involve. They have delivered [such systems] to Finland--both, from the east and west--they have delivered them to Bulgaria, Hungary and Romania from the east, and to Italy from the west. For me all these systems are an interpretation by our state treaty partners of things that cannot be understood under this Article 13. I do only see one thing: We should truly break with the term 'missile' because missile has become a term that sensitizes both the east and the west. If somebody speaks of missiles it is intended to mean intercontinental missiles, most recently NATO's complementary armament debate. The SS-20 missiles--those are missiles. We neither want any of that nor is there any question about it. We just want more modern tactical weapons systems and simply believe that the entire debate misses the point."

The program continues with an Austrian TV correspondent Otto Hoermann dispatch from Moscow on the antecents of the PRAVDA dispatch. Hoermann states in a telephone interview that, immediately after the aforementioned radio

interview by Kuntner, the Moscow daily KRASNAYA ZVEZDA on 23 January carried an article, counched in even sharper terms, comparing Kuntner [author] to Hasyek's good soldier Sevjk who painted over dogs to change their appearance, the better to sell them. Hoermann is heard explaining that because the KRASNAYA ZVEZDA article evidently elicited no response in Austria, the more widely read PRAVDA took up the subject to produce the desired result among the Austrian public.

The program continues with a filmed 2-minute report on maneuvers and practice firings of truck-mounted Austrian army missile launchers, purchased from the CSSR in 1959. Subsequently the announcer notes that an effort was made to contact I. Melynikov for comment but that he was not available, he was either in Geneva or travelling.

Then in a filmed interview General Kuntner states: "Well, I might say that the publicity surrounding me surprises me. I am not at all pleased with it because I always have thought of myself as the scientifically active head of an academy who simply has to state scientific findings once they are available, that is the first thing. The second one is that I believe I am known to most politically interested Austrians for having always endorsed detente, disarmament, a balanced disarmament particularly in Europe. But I think disarmament should first start where the level of armament is the highest and a small neutral state, a state which is left to its own devices, undoubtedly cannot ignore its environment; and if we note that greater armament efforts are being made there then it must be examined whether we are contributing to the security of Europe and also primarily to that of Austria and whether the means at our disposal are adequate or, whether--in the interest of preventing a war, of a chance for survival of the Austrian population, primarily of youth who by law are drafted into the federal army--whether improvements should not be sought in this respect."

[Question] The Austrian state is prohibited from equipping its forces with missiles. On the other hand we have just seen that they already possess missiles. "There are missile launchers, in addition from an eastern bloc country, the CSSR. It can hardly be assumed that the Soviet do not know it and that they have not approved it. How does this go together?"

[Answer] "Well, I believe that we--and this is what I have also attempted to state in the recorded interview--are speaking of different things. What Austria is forbidden to possess among other things by the state treaty, in addition to the self-propelled or guided missiles--termed in common journalistic usage missiles--are submarines, torpedoes and underwater mines. Possibly it should be noted here--and perhaps this takes some of the edge of PRAVDA's aggressive attitude--that all these bans have not been imposed on us by the Soviet Union as the Austrians often believe." General Kuntner then explains how such restrictions were included in various peace treaties as early as 1947 upon British insistence and how they made their way into the Austrian state treaty in 1955 and refers to pertinent research work by the late Professor Jedlicka of Vienna University. Kuntner goes on to say:

"I have not--as PRAVDA states--said something thoughtlessly; rather, we have conducted an intense 3 year study to arrive at these results."

[Question] We must note that missiles are on the one hand what PRAVDA depicts in its cartoon--intercontinental missiles and medium-range missiles with nuclear warheads--but on the other hand, and this has also been illustrated in the studio here, it also includes, for example, the foot soldier's antitank weapon and antiaircraft weapons, that is, weapons that can be fired at distances of 2-4 kilometers in the field but with which Moscow cannot be threatened. "It seems however, that the Austrian state treaty contains a certain uncertainty of definition in this respect which the Russians are now exploiting in their criticism."

[Answer] "Certainly the state treaty--when considering the time at which it was completed--may be viewed the way PRAVDA does now--perhaps this is an understandable sensibility--because what is now involved in Europe is not Austria's acquisition of tactical weapons, it is the debate about SALT II, intercontinental missiles, the complementary armament of NATO, the armament with SS-20 missiles and similar things and we obviously stepped into all this. But I want to repeat that neither did I respond thoughtlessly--and there exists a series of studies--nor did I respond or take the floor spontaneously or urged on by somebody. I believe that in a free country the expert has the right to speak up whenever he thinks he is on firm ground."

[Question] Another question yet: Was this a trial balloon on orders of the government?

[Answer] "No, I had no order."

[Question] "Has your position as negotiator at the force reduction [truppenabbau] talks been jeopardized by this?"

[Answer] "No, I don't think so. But the function has expired anyway because for Madrid--and I believe and hope that there will be a Madrid [conference]--the detente process has reached a low but has not come to an end--that the [mission] will be discharged by somebody else."

Vienna DIE PRESSE in German on 7 February on page 1 carries a 200-word "T.C." commentary entitled, "The Truth," referring to the Moscow PRAVDA article which disapproves of missiles for the Austrian Federal Army. The commentary concludes as follows: "Rejected? One must carefully read the dispatch from the Vienna PRAVDA correspondent, who occupies a very low place in the Soviet commentators' hierarchy. The state treaty has answered the missile question "with extreme clarity" writes Comrade Melynikov. And indeed, the treaty refers to "self-propelled or guided projectiles" because they were considered offensive weapons in 1955. Melynikov does not write: missiles for Austria. Nor does he "categorically" reaffirm the missile ban as APA notes. He refers to the state treaty, and for the rest, he leaves room for further interpretation, just as in other treaties."

CSO: 3103

COUNTRY'S SURVIVAL DEPENDS ON CONSTITUTIONAL REFORM

Brussels LE SOIR in French 10 Jan 80 pp 1, 2

[Article by Jean Gol, deputy and chairman of the PRL [Party of Liberty and Reform]: "Federalism in Union"]

[Text] At a time when in the mountains of Afghanistan the fragile peace of the world is being threatened by the Soviet invasion, when the major financial centers have been shaken by gold fever, when the economies of the principal European countries have been mortgaged by a new rise in unemployment and a renewal of inflation, the Belgian citizen cannot understand that the main concerns of its leaders are the various phases of regionalization.

It would be pure demagogy on my part to reinforce that lack of understanding and to try to transform it into hostility directed against the dying Martens government. Its failures in all domaines are enough to furnish the opposition an inexhaustible arsenal.

I believe, actually, deeply, that it is no longer possible to govern Belgium without trying at the same time to reform its institutions in order to take into account the reality of Flanders, of Brussels and of Wallonia.

Everyone knows that in Belgium no economic or social policy, which is in the long term naturally cultural, is in fact possible as long as the "community" abcess has not been healed, completely or partially. It can be regretted. It cannot be denied.

For as long as I have been in public life, I have been a federalist, because common sense, the experience of other plurinational states in the world, the successive failures of the efforts to freeze the reform of the institutions have demonstrated for a long time that only a federal type structure can rebalance and maintain Belgium. Would we have ended up with the present mess if we had carried out 10 years ago the reforms which now seem too moderate to be accepted, which were then being proposed by the federalists?

It is useless to moan over lost opportunities. But it is still not too late, there is more than enough time to put into practice the reasonable appeal of our sovereign on the 25th anniversary of his reign: "Federate to unite."

What kind of federalism? There are not two federal states in the world whose development is comparable to the extent that the experience of one can be transposed to the other. Therefore, it would be useless to try to rebuild the Belgian state by formulas arrived at through research in libraries. Belgium needs a new suit, cut to measure.

The indispensable reform of the Belgian state and consequently the Belgian state itself are now being threatened by four political attitudes that the liberal-reformers will continue to combat wherever they find them.

a) fanaticism and linguistic intolerance create conflicts unworthy of the European era into which we have just entered;

b) complication of the institutions engenders what Henri Simonet has called an "anthology of jurists with twisted minds," threatens the freedoms and the guarantees of the citizens and moves them away from democracy;

c) the constant use by Flanders of the fact that it makes up the majority, and the refusal of a certain Flemish public opinion to accept economic solidarity reinforce in the Walloon region the most extreme tendancies. We cannot accept on the economic level a Belgium moving at two speeds;

d) finally, the use of the "community" question for partisan purposes does not permit us to reach a solution agreeable to everyone and which would therefore be lasting, in these matters. We are ready, on our side, to participate at any time in the development of a definitive "community" pact between all the political groups, a pact that would engender, we hope, a federalism in union, simple, efficient and democratic.

That is our attitude.

It is inspired by a sense of the state.

Because it departs from institutional conservatism and nationalist adventures, it will attract the aggressiveness of those who will only be satisfied by simplistic conflicts.

Liberal-reformers, among which we count ourselves, must accept this difficult position described by Edgard Faure in his admirable book on

Turgot: "It is the eternal struggle and the insoluable problem of aging regimes. In the crumbling of the original structures, in the withdrawal of effective supports, the worst policy is the policy which upsets things. The structure which has been condemned seems to bear prolonged suffering more easily than a shock. Immobilism cannot avoid a fatal issue but the most generous action seems to precipitate it. Thus, reformers will always be said to be somewhat responsible for the catastrophe, which, had they left it alone, they nevertheless might have had a chance, even if a very fragile one, of warding off.

It would be useless and ridiculous to deny the existence within the liberal family--as elsewhere among the socialists and the Christian socialists--of various feelings on the subject of the reform of our institutions.

With us, however, these differences are exceeded by the convergence of a common political position, federalism in union.

Some people, however, who are supporters of unity at heart and through tradition, have understood that our religious conflicts could only worsen as long as a reform of the state organizing the communities and the regions did not lead rapidly to a new pact of the Belgians. What good would it be to prevent orderly federal reform only to have disorder break out?

Others, federalists of longstanding through feelings and through reason are worried when they see the regional political fact born in complication, confusion and mediocrity and captured by partisan interests which deform their hope. They are convinced that the federalist idea cannot be a cover for a separatist adventure.

It is also not between these two poles that the immense majority of Walloons and the inhabitants of Brussels are vacillating?

Let us recognize it, regionalization accepted by all those who are afraid, and rightly so, of a Belgium dominated unilaterally by Flanders, inspires the enthusiasm of the Walloons and the inhabitants of Brussels, the farther they are away from it. It is because the images which were shown them by Gillon, Martou, Gendebien and other Cappelmans, are enough to cool the enthusiasm of the most determined.

Is it a crime of lese-regionalization to say that for many Walloons and citizens of Brussels, if the Felmish domination seems like a plague, regionalization, as it appears in the speeches of some of its ardent supporters, seems like cholera.

Who can still maintain that this regionalization would mean in Wallonia and in the Brussels region fewer outrageously partisan

appointments, less influence of the unions on the life of the citizens, less bureaucracy, a tightening up of management, lower taxes, more "citizens" and fewer on "welfare"? Who can not sense the rise of the detestable tendencies of a parochial spirit, of sub-regionalism, cultural provincialism?

Who does not fear the "despotism of the majority" that A. de Tocqueville spoke of so well and the conformism and mediocrity engendered by it that he feared most of all.

Who cannot sense that, for some people, regionalization means that each person thinks only of his rights and never of his duties.

The Walloons and the citizens of Brussels increasingly are afraid, throughout all levels of society, that there is no winning solution for them.

Regionalization offers the only possible chance. Becuase without it, there will no longer be any viable Belgium. Because the Walloons cannot eternally get by without a greater autonomy in this state in which Flanders has for a long time been a nation and has acted like one.

But this chance will only work out for the French-speaking if the liberal influence in Wallonia and in Brussels becomes stronger.

In the French community of Belgium, it is urgent that a clear and strong voice be heard from all those who in a new Belgium think of Wallonia and Brussels in terms of serious work, initiative, creativity and liberty.

Some people have already become resigned to a neo-liberal and properous Flemish community and to a French community which is a victim of the ideological demons and to the model of Labor Party England and to Italy.

We do not.

We are therefore condemned to succeed.

8956
CSO: 3100

TINDEMANS EXPLAINS POSITION ON STATE REFORM

Brussels SPECIAL in French 20 Dec 79 pp 15-18

[Interview with Leon Tindemans by Robert Gillet, date and place not given]

[Text] Obviously, we do not have to introduce Leon Tindemans to the reader. Especially we who have been highly critical of him—even sarcastic—when he was prime minister. Just the same, we must admit that this man is often, at times loved, at times opposed...with equal intensity. The "truth about Tindemans" lies between these extremes of excessive praise and of excessive abuse.

Moreover, we would not have returned to the subject, if the former prime minister had chosen to remain in quiet retirement. Leo Tindemans, on the contrary, has not only started down the European royal road, but he has also agreed to preside over the destiny of the CVP [Christian Social Party], the most powerful party in the country. Because of that, he immediately became the subject of a charge made by many political observers (and we are among them). He has been accused of wanting to seek revenge and overthrow his young fellow Catholic Wilfried Martens and thus regain 16 Rue de la Loi. Then, by his refusal to accept the second phase of the reform of the state before the definitive phase has been nogotiated, Leo Tindemans gave the impression to the French-speaking parties that he wanted to call into question once again the political agreement concerning the "communities" on which the present government is founded. Finally, the chairman of the CVP has also been accused of using his party's congress to strengthen his "destructive action."

In the face of such a long list of criticisms, which we have made along with other people, we would have been lacking in the most basic kind of objectivity if we did not let the person involved speak.

He agreed--let us admit this--without any hesitation, to participate in a wide ranging interview, during which the former prime minister admitted certain errors and tried, in addition, to deal with some of his detractor's statements. And we recorded it.

Although he was tired after an exhausting session of the European Parliament, Tindemans was relaxed, as we talked with him on the seventh floor of 41 Tweekerkenstraat. But it was a Tindemans who was most of all very concerned about making himself clear that we listened to during the long interview he granted us.

Here is how the conversation with the head of the strongest political group in Belgian politics went.

[Question] Mr Chairman, with your permission, we will begin by going back a bit. We were among those who said that you were the prime minister of a coalition government whose composition you did not like and whose principal political basis, the Egmont Pact, you did not like either. Is that correct? And if it is, does that double mental reticence on your part explain your spectacular behavior on 11 October 1978, which led you to make the personal decision, during the middle of a session of the Chamber, to announce your resignation?

[Answer] First of all, I would like to answer your question concerning the two reticences that you have just referred to. The first concerns the composition of the government; the second its program concerning the two communities. At the beginning of my assignment to form a government, in 1977, when all that mattered were the preferences of the person forming it, I said that, given the economic crisis and the special circumstances in which our country found itself, what was called for was the formation of a government of national union. That is a traditional formula in Belgian politics: it was used during the war and during extremely difficult periods in our history. I was convinced that this formula was by far the best. I had had the experience of the Walloon Rally in the government. That was the first "community" party which was called upon to form a government. It was not a good experience. The RW [Walloon Rally] ministers belonged to the majority party and did not understand the position of a minister in the government. But their group, in the Chamber, were still thinking like members of the opposition. That gave rise to difficulties and to friction each time

the Chamber was called upon to vote on Thursday afternoons. Therefore, I presented my formula later, during the negotiations, when another formula was put forward. I am doing some historical research to find out where this coalition came from and at what moment the chairmen of the parties got together, but that is not of the greatest importance for the moment.

Nothing Resolved

In itself, it was a thing (editor's note, that is, the entrance of the DFF [Democratic Front of Brussels French Speakers] and of the VU [Flemish People's Union] into the government) that we were able to accept with a certain amount of goodwill. If in order to get out of the "community" impasse in Belgium, parties which until now had never participated in the government, but accepted the obligations which go with that participation and followed a formula intended to resolve such a difficult problem, why not try it? Also, I had been the first to envisage this possibility. Do not forget, at the time of the negotiations which were carried out at the Steenokkerzeel, I was the first to accept that procedure and to invite there those who were willing to negotiate at that time: the RW, the DFD and the VU. Therefore, on principle, I had no opposition. As for the present "community" policy, I accepted it, but I saw difficulties in it. On several points, I told myself during the negotiations that it would not work or that it would give rise to many difficulties. In fact, I felt that the "community" problem was not resolved. But my best specialists convinced me to accept the agreement, telling me that I had seen a complete change while I was minister of "community" relations between 1968 and 1971.

I also knew that when one is in the government and when one is preparing texts, one has the double task of supporting the state and of resolving the "community" problems which are peculiar to our country. Also, remember the meetings of the special committee of the Senate at that time. That committee, chaired by Mr Struye, held 198 meetings and that is really where all the aspects of the problems were examined, and where the texts could have been improved. That was when Mr Pierson, who did not support the government, helped us, even if later he voted no because he did not support the government. Following that, my advisors told me: "You must accept that task; see how successful you were in the elections of 1977. You have to do it." I did it and it was a mistake perhaps. But I was still thinking with nostalgia about my cooperation with the late Freddy Terwagne: we always had defended the "community" cause together. Since then this successful experiment has never been repeated. It was from that time that things changed profoundly and that I was so badly mistaken.

At 2:00 p.m.

Here is my answer to the two reticences. As for my resignation on 11 October 1978, before the Chamber, it had nothing to do either with the composition of the government or the "community" policy. I wonder why people still refuse to believe that. In fact, I kept being asked to call for a vote of confidence on all the provisions which the Council of State had called unconstitutional. I had pleaded to have these texts modified and to find other solutions. Party chairmen had come to see me to ask me if I had any solutions. I had answered "Yes." There had been a meeting of the Kern cabinet that very morning. The question of possible interpellations had been raised. Ministers who did not agree with me had considered that these interpellations could not take place because they might have led to the end of the government. Over lunch hour, I received a telephone call telling me that the interpellations would definitely not take place. What did I see? At 2:00 p.m., there were four interpellations: three party chairmen and one head of a group went to the rostrum to demand that the prime minister, whose coalition they were supporting, call for a vote of confidence. And that is when I told myself that the moment of truth had come and that I could not go down in the history of my country as the prime minister who thus deliberately violated the constitution. That is the real story.

[Question] Just as spectacular as your resignation was your election to the chairmanship of the CVP. From that moment, many political observers have stated that that was your opportunity to take revenge on destiny and to vow the end of the Martens government. How do you answer this charge against you?

[Answer] That is not the view of people who are particularly friendly to me. It is obvious. I did not seek, after the fall of my government, any post, ministerial or other. Remember an article in HET VOLK, saying that I was to become the president of the Chamber. That also means that if I had wanted an important post, it was within my reach, it was at my disposal, I would say. No. After my resignation, I had other intentions. The congress of the CVP demanded that I accept, more or less, the chairmanship of the party. Those who attended the congress can attest to it: as soon as my name was mentioned, I was applauded and finally I was given a standing ovation. Not to accept the will of the congress would have led to the gravest crisis, one that I myself would have started within my party. That would have meant a split within my party. From then on, in order to prove my good will, I accepted the chairmanship. And in doing that, I had to give up other plans.

Beckett

As for the charge about the life and survival of the Martens government, I, for one, certainly have no intention of harming Mr Martens. Do not forget that in the course of an election campaign, not only did the CVP

design a poster on which we both appeared, but in addition I held at least 15 meeting before 17 December 1978 with Mr Martens. I spoke more in his district of Gand-Eekloo than in mine in Antwerp! We spoke and toured Flanders together. Those who want more than anything to bring a charge against me would have a hard time trying to divide the CVP, but they do no understand reality.

As for me, I play my role as chairman of the CVP. Mr Martens plays his as head of the government. This reminds me in a strange way of Jean Anouilh's play: "Beckett on l'Honneur de Dieu." When the king raises his chancellor to the rank of cardinal, he asks him to serve the ideas of the king. And Beckett answers: "Sire, things have changed: before, I was in the service of the king, now I am in the service of God." Well, I serve the Christian socialist idea, at this moment. I try to shape my party regarding family policy, economic policy, social policy, [word omitted] policy and education policy. In addition, the bureau of my party feels it must take a position on the reform of the state.

The Young Chairman

[Question] Exactly, under your leadership, we have seen that the CVP has tried to become radicalized with respect to the political agreement of the government concerning the reform of the state. Does that mean that this agreement does not seem to you more adequate than the Egmont Pact?

[Answer] First of all, I am not responsible for the governmental agreement; I did not negotiate it. It is however no less true that during the period of the negotiations, we tried to see clearly into the position of the CVP since our congresses which had been devoted to it were no longer valid. The agreement of 1977 had brought an end to the congresses of Antwerp and Brugge. Consequently, there was a vacuum, here, in the CVP, in which no one any longer had any concrete idea about the reform of the state. When, during the negotiations preceding the formation of the present government, Mr Martens made his fourth, his fifth and his sixth proposal, there was a malaise within the party. We told ourselves: "Heavens, we are destroying this young chairman who has, until now, impressed us as someone who knows what he wants and who, in the "community" question, has a very strong Flemish past.

And if, tomorrow, he makes a seventh or an eighth proposal, our people are going to believe that the content no longer counts and that any solution is acceptable as long as we figure a way out."

A working group, chaired by Mr Van Elslande, the present minister of Justice, was created within the party. Towards the end of the pre-governmental negotiations, the work of the group was halted. After the

formation of the government, we were, once again, the object of interrogations on the part of our militants who were asking us what the CVP wanted definitively. Well, in the governmental agreement, it is stated that there must be a definitive phase concerning the reform of the state but that phase is not being discussed, except to list the 15 subjects which will still be left to national jurisdiction. As for the rest, jurisdictional conflicts in particular, nothing is being said. Without an agreement, the governmental declaration adds, the temporary phase will end on 31 December 1982. We do not wish to see a chaotic state, nor a legal vacuum at the end of 1982. Therefore, it is important, for a party like the CVP, to know what it wants when the negotiations on the definitive phase take place. That is why we have decided upon our congress.

As for the radicalization of the CVP, I am often asked the question: "Have you changed, Mr Tindemans?" I have not changed. But I see that a restructuring of the state is being imposed on us, while until now we have no serious studies concerning the political and economic implications of this restructuring. I repeat, a reform is being imposed on us while, in 1970, at no time was there any question of placing the normative power of the regions at the same level as the national law. Therefore, we are talking about a regionalization other than the one which had been accepted in 1970. That is what raises questions.

The citizens must feel that the restructuring is fair because, this time, it will be written into the constitution, for 50, for 100 years, perhaps forever. This is now the moment of truth. That is why a party like ours, which in Flanders received 48.5 percent of the votes in the last elections must weight the consequences of this fundamental act. I take the opportunity in passing to state that it is tragic to see that there is no longer any national party in Belgium. Our responsibility is therefore to defend the people who have trusted us.

[Question] Just the same, it has always been said, by the French-speaking population especially, that the best formula was that of the creation of three regions equal in rights and duties... That opinion is naturally shaken by the position of the CVP which affirms that one of these regions, Brussels, must submit to a treatment which is different from that given Flanders and Wallonia. What do you think of that?

[Answer] Let us not confuse the propaganda of certain parties with official theses. In 1970, the government at that time published a text in which it stated that Brussels has analagous but not identical jurisdiction. The work in Parliament has been in this direction.

[Question] That will not eliminate the opinion held by some French speakers that the CVP is questioning the foundations of a "pacification agreement..."

[Answer] As the governmental agreement says nothing of the definitive phase of the reform of the state, one cannot accuse anyone at all. Each person can therefore defend his ideas at present. And that is what the CVP is doing. We should not indulge in that tactic which consists of blaming the other person and of looking for those who are guilty. The CVP has, in any case, two major concerns: the existence of the Belgian state--not all the parties are talking about it--and the normalization of public life for all citizens. We have arrived at the conclusion that the CVP's formula is the best one.

[Question] Nevertheless, it has been said repeatedly that the CVP was going to use its own congress to impose its will on the political class.

[Answer] We do not accept that blackmail. A party like the CVP has a duty to make its positions known concerning the restructuring of the state, all the more because the political agreement says nothing about the details of the definitive phase. What other means than those of the democratic way of a congress does the CVP possess to determine its options? That is what it has done. No one can criticize us for this. It is, moreover, clear that we are not the only ones to say what we are saying. I hear Mr Van Miert, the chairman of the Flemish socialists, who tells me that, at the time of the pre-governmental negotiations, he always insisted that talks be held on the definitive phase of the reform of the state as soon as possible. Well?

That being said, in politics we always need an enemy and for many people that enemy is the CVP at the same time as our members are demanding from us a clear position.

8956
CSO: 3100

'POLARIZATION' OF QUEBEC POLITICAL FORCES DISCUSSED

Quebec LE SOLEIL in French 12 Jan 80 p A 6

[Editorial by Claude Beauchamp: "In the Referendum, There Will Only Be Losers"]

[Text] The polarization of political forces in Quebec, begun 10 years ago, has not produced its fruits: citizens of Quebec today have before them two quite distinct constitutional drafts, well considered in terms of their specific objectives, quite precise in their main lines: the concept of sovereignty-association of the Parti Quebecois and the new Canadian federation of the Liberal Party.

These two visions of the collective future of the people of Quebec are opposed to each other in their very essence. The first looks to the creation of two countries, Quebec and Canada. The second upholds the existence of a single country, Canada.

The dilemma, at first sight, appears to be well-defined and clean. A dilemma calling for an easy, evident choice. It is nothing of the kind.

By one of those terrible paradoxes on which politics are nourished, the polarization of ideas, such as has been effected in the political universe of Quebec, far from simplifying the decision-making by the citizens of Quebec, on the contrary makes it more difficult.

It is quite necessary to realize, in effect, that the effective realization of one or the other of the two constitutional drafts conceived by the political parties of Quebec depends entirely on the consent of the rest of Canada.

The Parti Quebecois will never be able to realize its "sovereignty-association" if English Canada does not agree to conclude a treaty of economic association, and the Liberal Party will not have its new federation unless the other provinces desire it equally.

In a sense, because the dominant political forces of Quebec have moved away from the extreme positions which beckoned to them--independence pure

simple in one case and the constitutional status quo in the other case more strongly than ever they have involved the political forces of English Canada in the definition of the political future of Quebec and of Canada, at least in a first stage.

There is a reality which the voters of Quebec must take into account at the moment when they will have to express themselves decisively in favor of one or the other of the two drafts. Two opposing drafts but two drafts which--if they are presented in the form of a dilemma for the people of Quebec, who wish in one camp as in the other the advancement of the interests of Quebec as a distinctive society--appear in the view of English Canada as a choice between two evils.

The draft of the new Canadian federation made public this week by the political committee of the Liberal Party of Quebec overturns, in effect, the notion of federalism such as it has been conceived for 112 years in English Canada. No one can seriously pretend that this Liberal document merely camouflages the constitutional status quo. The minister of inter-governmental affairs, Mr Claude Morin, had, in the past, accustomed us to analyses which were more substantial than those to which he has devoted himself in commenting on the Liberal draft.

The first reactions coming from the other provinces and from federal politicians indicate, moreover eloquently, their desire not to commit themselves in precise fashion on either of the proposals of Mr Claude Ryan. Behind the circumstantial approval, no Canadian politician, at least up to now, has endorsed the reform proposed by the Liberals of Quebec.

And this behavior is easily understood: the new federation of My Ryan could hardly go farther in the grant of powers to the provinces and in the control which the provinces will exercise over federal powers without denying the very existence of a central government.

In a word, it is only under enormous pressure coming from the political forces of Quebec that the rest of Canada could eventually agree--which is far from being certain--to one or the other of the drafts under discussion in Quebec.

Pressure of this extent manifestly requires the expression of a large consensus on the part of the citizens of Quebec. The Parti Quebecois, in particular, cannot claim to bend the will of the rest of Canada without rallying behind it a very strong majority. One does not achieve the independence of a country with 1 out of 100 votes. Even the most modest deliberative assemblies require at least two-thirds of the votes on important questions, for example touching on their constitution or their statute.

The polls indicate, for the moment, that the Parti Quebecois is not tending towards support of this order, even if one only considers the French-speaking voters, in the referendum next June.

But, since the referendum will not offer a choice between the sovereignty option and the federalist option, but will bear solely on the draft of the Parti Quebecois and since, on the other side, it is English Canada which holds the key of success of the liberal draft and not Quebec, the vote in June threatens to damage the Liberals of Mr Ryan as the Parti Quebecois supporters of Mr Rene Levesque. In the referendum there will only be losers.

5170
CSO: 3100

MARAS TO BE OPENED IN SECTIONS ACCORDING TO 'MASTER PLAN'

Istanbul GUNAYDIN in Turkish 13 Jan 80 p 5

[Article by Resat Akar]

[Text] It has been determined that the opening to resettlement of the Maras region located in the Turkish Federated State of Cyprus which has been kept closed since 1974 as a "bargaining issue," would provide resettlement opportunities in this city for 60,000 persons.

Despite the important political events in the world, the placing of the Maras issue on the agenda has once again turned the attention of the world to Cyprus. A survey conducted by GUNAYDIN in the city of Maras, which is of great economic importance both to Cyprus and to Turkey, discloses that the hotel bed capacity of this city amounts to one-fifth of the bed capacity of all the touristic facilities in Turkey.

Up to 1974, there were 47 hotels conforming to international standards in the city of Maras, termed the "heart" of Cypriot Tourism, and in those hotels there were 7,500 beds. Taken together with pensions, furnished facilities and villas set up for tourists, total bed capacity in Maras comes to more than 11,000. It has been determined that this city, which amounted to a completely open market in the interest of getting tourists to prolong their visits, contained a total of 4,000 business establishment, including taverns, night clubs, discoteques, cafeterias and sports facilities.

The Budget Is Inadequate

It has been pointed out that Maras had become a tourist paradise with the generous support and participateion of English capital and was a natural market and consumer center for the industrial and agricultural sectors. However, because it has been kept closed down for such a long period, real property and furnishing have deteriorated and entail a considerable budget for maintenance and repair. According to surveys which have been made, in the event the TFSC government undertakes to open this city in its entirety even the approximately 3 billion TL governmental budget would not be adequate and it would appear that the city may be opened only with the assistance of foreign capital.

Two Hotels Will be Opened

However, it has been announced that as a first step two hotels owned by foreigners will be opened. In spite of concentrated efforts by the Greek leadership in the international arena, TFSC authorities have moved to open Maras city within the framework of a "master plan" and by stages and have established the necessary contacts with the foreign management.

It has been learned that world-renowned Trust House Foster which ran the city's largest hotel, the Golden Sands, prior to 1974 have given the green light to TFSC authorities, and that the last governor of Cyprus, Lord Spens, who is one of the owners of this company, was a big factor behind the sympathetic consideration shown by this English firm to the Turkish side.

9353
CSO: 4907

COMMENTATOR VIEWS U.S. DISAPPOINTMENT BY EUROPEAN ALLIES

DW120855 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 Feb 80 p 1 DW

[Editorial by Jan Reifenberg: "America Is Painfully Disappointed"]

[Text] President Carter is disappointed by the action of most Atlantic partners in the Afghan crisis. He does not utter that criticism in public. But no doubts exist that Washington expects its allies to take effective steps to counteract the threat in the Middle East and the crude oil areas in the Gulf of Persia that are of vital importance. So far America has heard just lip service and verbose assurances of solidarity from Europe. It feels basically left alone with its responsibility as a world power. And that at a time when the president has defined the security interests of the United States--and of the whole West-- at the Persian Gulf, stressing the determination to use military power if necessary.

France refuses to take part in a joint discussion with Secretary of State Vance in Bonn, whose purpose would have been to probe the possibilities of political defense against further Soviet action. Feeling certain of American protection in an emergency, France believes it most once more demonstrate its national independence vis-a-vis Washington by saying "no" to what De Gaulle once had condemned as "bloc policy." Washington believes that by doing this France wants to maintain its special relations with the Soviet Union and the Arab states. That, however, could lead to misjudgment in Moscow and make the Soviet leadership believe that the Atlantic Alliance would not stand a more severe test.

The alliance may face a decisive test in the near future. Most Americans dealing with these problems believe for years that Europe, which they helped to rebuild after the war, does not do enough for its own defense. It enjoys an amazing wealth without wanting to make sacrifices for the protection of the common cause, while being constantly prepared to criticize alleged American mistakes, clumsiness and weaknesses.

This feeling is more deeply anchored than most European visitors believe. It can--in an extreme form--lead to the reawakenment of the "fortress America" idea, to a new issue of isolationism that can neither be afforded by the United States or Europe. The experiences of the Vietnam War have not at all eliminated such latent feelings.

Afghanistan has a much more shocking effect on America than the taking of hostages in Teheran that is lasting for more than 3 months now. Carter had to postpone his hopes for progressive detente between the two superpowers. Priority is being given in Washington since that time to strong defense and the definition of strategic areas of interest. Despite the election year the president asked congress to reintroduce the registration of young people who would be subjected to possible later military service. A serious discussion is under way about the question whether the world is possibly drifting toward a third war in this century.

The word "containment" of the Soviet Union is being frequently used again in Washington. The military use it and congress uses it to promote interest in security policy and the preparedness to make high military expenditure. But George Kennan, the man who created that expression in 1947 and made it at that time a tool of American postwar policy, warns today against what he termed "exaggerated militarization of our policy." Kennan doubts that the Soviet Union would extend the mistake made in occupying Afghanistan by attacking Iran or Pakistan. He sees no alternative to a continuation of the dialog of the two superpowers, considers the "China card" a dangerous delusion and charges Carter's security adviser Brzezinski with his emotionally exaggerated reactions to every move of Moscow's policy.

The White House finds it hard now to realize that unity of the Western partners can be achieved only if the world political dangers will be assessed in Europe as in Washington. Carter hopes to be able to replace the priority Kissinger has given to bilateral relations by joint action. He realized in the meantime that this is not always possible. This is particularly painful when America is convinced that its vital interests are as much involved as those of the partners. But all consultations, all talks of expert officials will not help if America and Western Europe will not soon begin to develop a common line, despite all frankess about differences of opinion, to demonstrate to Moscow that even with pressure it will be unable to achieve the "Finlandization" that would mean the end of the community of free Western states.

The shock of Afghanistan demands a firm and balanced answer. Carter is hardly able to give it alone, not just because of the election year. If the allies will dodge it, they will prevent the reestablishment of the balance between the East and West without which they cannot survive themselves. Washington is, therefore, right in demanding a clear political stance of Europe.

CSO: 3103

MUTUAL RECONNAISSANCE FLIGHTS PLANNED IN EASTERN, WESTERN EUROPE

DW111321 Bonn DIE WELT in German 9/10 Feb 80 p 3 DW

[Cay Graf Brockdorff Brussels report: "A Secret Plan Is Supposed To Open the German Sky for the Russians"]

[Text] A sensational plan has been developed on Bonn: The European sky is supposed to be opened for Eastern and Western military reconnaissance flights. Military planes of the two power blocs will be mutually controlling whether NATO or the Warsaw Pact will concentrate troops in an unpermissible way or transport reinforcements.

Details of the plan have been kept secret so far. Talks still must be held about last details. Basically, however, the plan has been accepted by the NATO partners already. It was learned from diplomatic circles that the plan is taking up in a modern form a plan that has been developed by President Eisenhower in the fifties: The United States and the Soviet Union were supposed to agree on military control flights in order to increase mutual security. At that time the Eisenhower plan had been rejected by the Soviet Union.

The new Western plan envisages that the British Islands and Italy can be crossed by Soviet long-range reconnaissance planes as well as the Federal Republic of Germany and the Benelux states. France is supposed to join in at a later date because presently it does not take part in NATO's arms control negotiations. The West is missing nothing in granting such flying rights. Almost everything is public here anyway--when troop movements are taking place, motorists are warned by radio.

For the Warsaw Pact, however, the suggestion worked out by the West has a cloven foot: not merely the "GDR," Poland and Czechoslovakia are supposed to be crossed by NATO's military reconnaissance planes. To offset flying rights over Great Britain and Italy, similar rights are being demanded over the three Western military areas of the Soviet Union. It would mean that the cameras of Western "Phantom" reconnaissance planes would be permitted to shoot pictures over Minsk, Lemberg and Koenigsberg. In these military areas several Soviet armies are stationed, including the big-size elite unit of the Soviet armed forces, the 11th Army of the Guards, stationed in Koenigsberg.

The Western plan is supposed to be submitted to the Warsaw Pact at the Vienna MBFR negotiations on troop reductions as an "internal part" of agreements to be made on troop reductions. The West has hinted at that in Vienna, but the Soviet Union does not know what it will be faced with in detail. It was heard that the Federal Republic of Germany has initiated the plan. It is considered an open secret in diplomatic circles that Foreign Minister Hans-Dietrich Genscher has brought considerable influence to bear on the considerations.

From a military point of view the Soviet Union has considerably changed the strategic situation in Europe by developing its troop capacities in the 7 years when troop reductions have been discussed in Vienna. Today it is in a position to reinforce its troops in the advanced area in a few days through land, sea and air transports. An example in this respect it the exchange of personnel taking place routinely twice a year, when more than 100,000 Soviet soldiers are being flown every time to the "GDR." Reconnaissance satellites do not always supply reliable information on short-term troop transports. Because of their dependence on weather conditions, the value of satellites lies in other fields.

In the diplomatic language the new plan is being played down as "concomitant measures" (with regard to troop reductions). In fact, however, it is a "bomb" at least for the Soviet Union. Nobody can imagine that the Soviet Union will accept it. That will probably delay the Vienna negotiations for years. But naturally nobody admits that officially.

Much is at stake politically for the Federal Republic in connection with the control flights. If only the Federal Republic and the Benelux countries will be overflown--which on the Western side are part of the reduction area debated in Vienna--the German territory west of the Lebe will certainly become the main target of Soviet long-range reconnaissance planes.

The plan that stems from Bonn, avoids the special German role by including the Western part of the Soviet Union, which would be militarily necessary anyway. The reduction area discussed in Vienna ends at Poland's eastern border if the Soviet Union will be included, England and Italy would have to give up some of their sovereignty, which they will not find hard to do, Brussels diplomats expect.

CSO: 3103

BRIEFS

U.S. MILITARY PLANNING CRITICIZED--The American military budget for the coming year amounts to $156 billion. It has not yet been decided how much every branch of the armed forces will receive of that lot. The fight for the shares is being carried out in the background, in commissions, congress groups and special executive committees. The navy still did not agree on the long-term planning it ought to try to implement. The chief of the operations department complains that one has made available for "the defense of three world seas just the capacity for the defense of 1 1/2 seas." No agreement exists either with regard to the general strategic conception. Is the navy supposed to protect the connection lines only defensively, or is it supposed to be able to fight the fleets of the enemies? Without clarification of the "global mission," however, every kind of armament will become an adventure. In addition it is still open whether one ought to build highly technical--that is expensive--ships, or whether one ought to aim for a cheap navy that will be fully tailored to quantity. So money alone does not make one happy. The admirals must not merely think of something, they must want it. [Text] [DW151117 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 Feb 80 p 12 DW]

CSO: 3103

KARAMANLIS ACCUSED OF EVASIVENESS IN BRIEFING PARLIAMENT

AT031745 Athens ELEVTHEROS KOSMOS in Greek 3 Feb 80 p 1 AT

[Text] In his speech last Thursday, U.S. Ambassador in Athens McCloskey shed light on the discussion which took place in the Chamber of Deputies, especially on a critical exchange between the prime minister and the leader of the official opposition. The PASOK chairman had expressed uneasiness that "Turkey is being armed at such a pace that soon it will upset the balance in the Aegean." The prime minister replied: "Do not worry, Mr Chairman; I told you in the past, too, not to worry." Karamanlis avoided explaining on what he based his optimism and the certainty that the balance of power between Greece and Turkey will not be upset despite the lifting of the U.S. "embargo." Naturally it was assumed that some diplomatic impediment forced Karamanlis not to be clearer and elucidate his argument.

However, the things that were thought not worth telling the Chamber--and the concerned public--McCloskey found easy to clarify. Speaking at the Propeller Club, the U.S. ambassador stressed: "The United States has committed itself to actively and unequivocally oppose the use of force for the solution of differences in this region, and we have undertaken the commitment to guarantee the maintenance of the current balance of military strength among countries of the region."

Karamanlis did not brief the Chamber on two issues that are of important national significance: that the United States has undertaken the obligation to actively and unequivocally oppose the use of force (and it is Turkey, not Greece, which threatens with force) and that the United States has undertaken the commitment to "guarantee the maintenance of the current balance of military strength among countries of the region." The prime minister avoided briefing the Chamber and the people on the obligation and commitment which had been undertaken by the United States--certainly and logically toward Greece--to actively oppose the use of force and to guarantee that the current military balance would not be disturbed. Otherwise he would have given a different, clear answer to the leader of the official opposition: "Do not worry, Mr Chairman; I told you in the past, too, not to worry; we have secured the U.S. guarantee for the active repulsion of a Turkish provocation and the maintenance of a balance of power!"

With the proven unjustifiable vagueness of K. Karamanlis (because if there had been a mutual and agreed commitment not to make statements, McCloskey would not have made his detailed revelations--especially a few days after the discussion in the Chamber, public opinion and the nation's representatives were deprived of valuable information so that the extent of U.S. support to Greece in its dispute with Turkey could not be learned and comprehended. Obviously Karamanlis was evasive in his briefing, since, as has been proven, we can all rest easy, including A. Papandreou, not thanks to K. Karamanlis' "multidimensional" foreign policy, but thanks to the guarantees that have been given to us by the leading power of the West and NATO. What did the prime minister fear? Did he fear that had he said these things at the proper time from the proper rostrum, before McCloskey, many misunderstandings concerning Greek-U.S. relations would have been dispelled together with the deliberately cultivated anti-American spirit?

It is high time the people were given the opportunity to judge that we have friends and that it is unacceptable for the "incompetent and tired government" to blame them with its own failures.

CSO: 4908

'MESIMVRINI' ARTICLE CRITICIZES MCCLOSKEY SPEECH

AT021730 Athens MESIMVRINI in Greek 2 Feb 80 p 4 AT

[Article by Khristos Theokharatos: "The Seven Sins in McCloskey's Speech"]

[Text] Judging by U.S. Ambassador Robert McCloskey's speech on America's role in the world the day before yesterday at the Piraieus Propeller Club, we must revise our speculation regarding the Pentagon's famous "alternative solutions for every situation in Greece"--as noted in the well-known statement by the U.S. Secretary of Defense--because only one "alternative solution" emerges from the American diplomat's speech: Greece's return to the allied status that existed prior to the change in regime.

After all, McCloskey put this forth most clearly: "Talks are continuing within the alliance for Greece's return to the NATO unified structure. It is significant for all of us to guarantee the return of the Greek armed forces as soon as possible." So that there would not be any doubt that the interest for reconfinement is mutual he clarified: "I have understood that in major issues of mutual interest nothing separates us in our goals." The American diplomat's speech did not leave Greek public opinion unmoved.

Let us see with what new philosophy McCloskey is trying to cover up "America's role in the world" and the Greek-American relations which indeed are passing through the most serious trial in their history.

1. "I would recall to our friends and I would advise our opponent not to draw erroneous conclusions from the conflicting viewpoints which emerge as the primary election campaign advances. The essential course of U.S. foreign policy is not determined by the victory of one or the other political party."

2. "The new decade did not start with the promise we expected, but with a trial of our prudence and will. The terrorism to which U.S. citizens were subjected in Tehran...and the Soviet invasion of Afghanistan threatens vilta interests of the Western world."

[After McCloskey created the framework, that is, after he clarified that U.S. foreign policy is independent of elections--consequently independent

of the will of the sovereign American people--and that this foreign policy will be formulated throughout the world according to what is happening in Tehran and Kabul(!), he deigned to deal with our issues, and faced us like auxiliaries to "security in the eastern Mediterranean.")

3. "Both of us (the United States and Greece) are determined to strengthen democracy in our countries." (Note: This is true but there is a difference: Greece does not want democracy only in its territory but in all countries of the world. Can McCloskey claim something of the kind without hurting his prestige as a diplomat?)

4. "We are both dedicated to a strong and united West in which Greece will be a full NATO partner." (Note: This is not exactly so. NATO is not administered by Brussels but by Washington, and not only Greece but all the other member-states are only formally equal partners of the all-powerful U.S. military machine.)

5. "Both of us are dedicated to a just settlement in Cyprus that will provide for a sovereign, nonalined and independent republic." (Note: This too is not correct. It is not Greece which thought up the Attilas, nor is it Greece which decided to lift the embargo on Turkey. In addition how can all these things be compatible with a "sovereign, Cyprus republic?")

6. "We share the goal of a peaceful settlement of differences between Greece and Turkey in the Aegean." (Note: This also is not correct because, simply, if it were, then the peaceful--that is, the just--settlement would have taken place. McCloskey should remember a U.S. viewpoint on the Aegean dispute which his almost predecessor Schauffele made the blunder of revealing: "The differences in the Aegean are due to unusual geographical settlements in the past." Certainly McCloskey must know of the Greek viewpoint: "Turkey is making claims for nonexistent rights on an area that is protected by three international treaties.")

7. "We want to cooperate for the improvement of the Greek people's economic and social prosperity." (Note: This is true but we are not convinced that it has reciprocal validity. That is, truly Greece would want a broader economic, scientific, technological and cultural cooperation with the United States, but judging from the statistical facts of this cooperation in the foregoing sectors, America does not seem to be truly interested in multilateral and mutual cooperation.)

Should we suppose that all these things which McCloskey said were said because he had been wrongly briefed? Should we accept that he is uninformed on issues of the Near and Middle East (like that picturesque colleague of his in Singapore!) and that he is blundering? Should we speculate that his subordinates are hiding the truth from him? We would be wronging him. McCloskey is a career diplomat who knows very well his objective and the area in which he has been accredited. McCloskey knows very well what is true and what is not of the things he has said.

However, he has been swept up by "momentum" by the "diplomatic habit" U.S. ambassadors acquired from 1948 to 1974 of behaving with some arrogance and haughtiness given to them by the knowledge that they were predominent. Of course, McCloskey is not predominent. McCloskey is and will remain an ambassador, the second U.S. ambassador since the civil war, and the second U.S. ambassador after Kubisch. He will never become predominant.

If he understands this well, it will be most useful to the frank development of Greek-U.S. relations.

CSO: 4908

PRESIDENT EANES STRESSES COOPERATION WITH AFRICA

Lisbon DIARIO DE NOTICIAS in Portuguese 18 Jan 80 p 1

[Text] The president of the republic stressed yesterday that "one of the basic concerns" of Portuguese foreign policy has been to "try, in this interdependent world, to find innovative forms of cooperation with those countries to which Portugal is linked by historical and cultural ties and, especially, by the bonds of a common language."

President Eanes offered this statement regarding our relations with the new Portuguese-speaking African nations, speaking in Belem yesterday at a reception for the organizers and participants of a training course for managers of small and medium industrial firms.

The course began in November and will conclude at the end of this month. It was sponsored by the Technical Training Center of the National Laboratory of Engineering and Industrial Technology (LNETI) and UN Organization for Industrial Development (UNIDO).

Taking part are 13 technicians from Angola, Mozambique, Guinea-Bissau and Cape Verde, engaged in the furniture, wood, clothing, plastics and shoe industries and the food sector of government departments in those countries.

The course was a joint undertaking, in which, Eanes stressed, "Portugal is moving to accomplish one of its grand historical objectives: fraternity between the Portuguese people and the new independent and sovereign African countries that share the Portuguese language."

Speaking before President Eanes, Viega Simao, president of LNETI, stressed: "This fraternal cooperation between free and independent countries historically determines a friendship and a sense of relations that will be enduring and will transcend individuals."

6362
CSO: 3101

SARAIVA DE CARVALHO NOTES NEED FOR 'UNION OF LEFT'

Paris LE MONDE in French 7 Jan 80 p 3

[Article by Marcel Niedergang]

[Excerpt] Maj Otelo C[illegible]rvalho has been in Paris since 14 January and will be here for a we[illegible]at the invitation of the Gramsci Institute.* He will meet Wednesday w[illegible]most of the leaders of the French Socialist Party; and next Friday, at 2[illegible] hours, he will participate in a meeting-debate at the Mutualite on north-south relations and the prospects of the Portuguese revolution.

His objective? "To reshape the union of the left in the face of this return of the right illustrated by the elections of 2 December 1979." Upon his return to Lisbon, he intends to make an appeal "to the 800,000 Portuguese who expressed their confidence in him in 1976" and prepare a "plan for society" of such nature, he said, "as to attract socialists and activists of the noncommunist left, but also communists."

"Our last chance to stop the radical questioning of the achievements of the April revolution is to win the general elections next fall. Until then, the Sa Carneiro government is going to be prudent and careful to consolidate its election victory in December. Without a doubt, it is going to follow a populist, demagogic policy aimed at the most underprivileged. This social policy is made possible by the improvement in the country's financial situation."

'We Were Naive Dreamers...'

He criticizes himself: "We were naive dreamers; we did not know how to detect the traps and tricks of the politicians. We were also victims of our contradictions, with the majority of the young officers at first wanting to restore a parliamentary and middleclass democracy..."

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*The Gramsci Institute, recently founded in Paris, is made up of academics from various disciplines, critical socialists and communists.

He meditates about the causes of the disaffection of the Portuguese with regard to 25 April. "The lack of political training of a people kept in ignorance during the long Salazar night, a people easily manipulated; the divisions of the left incapable of facing up to the more refined propaganda of the right; the lack of boldness of certain officers of the MFA [Armed Forces Movement]; finally, the ambiguous policy of the socialist governments from 1976 to 1978."

He has never felt, and he says so again, that "the Communist Party could seize power." He also believes that the violently anticommunist strategy of the Socialist Party in 1974 and 1975 was "in error" and "in the final analysis helped the return of the right. The Communist Party," he said, "was in fact overwhelmed [deborde] by the masses. Today, the Communist Party is more at ease with a stronger electoral base and is in a position to negotiate calmly with a middleclass government. For the Portuguese Communist Party, "The principal enemy," according to Major Otelo, "continues to be the so-called unalined left."

He added, "I was accused of incoherence. In fact, I have remained coherent. I am fighting and will fight for this union of the left which the Communist Party wishes to knock down." "The principal enemy," for Major Otelo, "is this revanchist right which wishes to restore capitalism, reinforce the power of the speculative middleclass, radically revise the Constitution, to destroy 25 April, and change the election law." He shares the analysis of other Portuguese military men, close to General Eanes, according to whom "the logic of the victory of the right over the long term results in repression and limitations on freedoms."

Although he stresses the battle for the 1980 general elections, it is certain that he will be a candidate in the next presidential election. He has already received assurances, some coming from current leaders of the Socialist Party. The election disaster of Lopes Cardoso, former socialist minister, who also wanted "to reshape the union of the left," distresses him but does not impress him. Major Otelo is first and foremost a block of self-confidence.

8143
CSO: 3100

FORMER PS SECRETARIAT MEMBER ON PARTY'S FUTURE

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Jan 80 pp 3, 6

[Interview with Jaime Gama, former national secretary of the PS (Socialist Party) and minister of internal administration in the Second Constitutional Government; date and place not given]

[Text] "The PSOE [Spanish Socialist Workers Party] is not in the government, it has no access to the right-center nor any coalition with the communists; but it is a remarkably influential party in Spanish society." This comment was made by Jaime Gama who, until recently, served as national secretary of the PS and minister of internal administration in the Second Constitutional Government. In his opinion, the PS should pay heed to that Spanish example, and say "no" to alliances with political forces situated to the right of it. "For the electoral recovery of the PS, it is essential that it appear before the public, clearly explaining that the PSD [Social Democratic Party] will not be a potentially allied party."

In this extensive interview (the first one that he has granted since his departure from the National Secretariat, which was decided upon at a meeting held in Porto last weekend), Jaime Gama dissociates himself from the strategic line advocated within his party, aimed at dividing the Democratic Alliance [AD] and counting on a subsequent alliance with the PSD. He also expresses opposition to any notion of a joint PSD-PS presidential candidate.

DN: Jaime Gama has always had the public image of a "moderate" in the PS. How do you explain having come out "on the left" of the National Secretariat?

JG: I am not a leftist. I never was, and never intend to be; just as I was never a Marcelist, nor a neo-Marcelist. I am concerned about the PS' political, ideological and cultural identity, as well as the place that it should occupy in Portuguese society with respect to the spectrum of democratic socialism in Europe during our time. I stand in the area of European democratic socialism, and it was from that standpoint that I assumed the recent positions in the debate which became bogged down in the PS.

DN: What are the differences in terms of a policy on alliances between the opposing lines in the National Commission meeting in Porto?

JG: We felt that the refusal to make agreements with the Democratic Alliance or with any of its members should be made explicit as a strategic principle. For the electoral recovery of the PS, it is essential that it appear before the public, clearly explaining that the PSD will not be a potentially allied party. If this position were not made explicit, the PS moderate electorate (which might eventually favor an understanding with the PSD) would have every reason to transfer its vote to the PSD itself. And the more radical PS electorate, with the prospect of eventual agreements with the PSD, has the facilities for transferring its vote to the APU [United People's Alliance]. An ambiguous stance regarding the issue of alliances with the AD and its members is a strategy leading to the progressive dissolution of the PS in the direction of the left and right.

We need not view the PS political line from a governmentalist standpoint, or that of a return to the government at any price, but rather attach priority to the social entrenchment of the PS, the modernization of its internal operation, the dynamization of the members and the search for new working methods for the party. The PS should not be an electoral party of the American type, nor a network of political bosses like the Portuguese Republican Party; but rather a party of modern democratic socialism, similar to the socialist, labor and social-democratic parties in Europe.

DN: Would that refusal of alliances in the area of the Democratic Alliance have its counterpart in agreements with the left, namely, the PCP [Portuguese Communist Party] and the MDP/CDE [Portuguese Democratic Movement/ Democratic Electoral Commission]?

Relations Between the PS and PCP

JG: By no means. In this regard, we undersigned the part of the general document which served as a factor for organizing the debate, in which we called attention to the need for a clearcut political and ideological demarcation between the PS' political plan and those of the PCP and MDP [Portuguese Democratic Movement]. This is not an attempt to advocate a policy of leftist unity similar to that conducted by the French PS. Our concern is that of preventing the PS from being guided by a strategic line similar to that of the SFIO [French Section of the Workers International] of the Fourth French Republic. The (Spanish) PSOE is not in the government, it has no access to the right-center nor any coalition with the PCE [Spanish Communist Party]; but it is a remarkably influential party in Spanish society.

It is important to make not only a political and ideological demarcation with regard to the PC, but also a political, ideological and cultural demarcation with regard to the model of society of the Democratic Alliance

and of the parties comprising it. Furthermore, in the PS' relations with the PCP, we must make a distinction on two levels. On the one hand, the level of political relations, which makes it necessary to pose questions about the control of the state's democratic organization, public liberties, the operation of the economic system and the content and scope of the social reforms under democracy. On the other hand, the level of relations between the PS and the PC's electoral rank and file. The use of an extreme right wing vocabulary and outdated aggressiveness in connection with that electorate should not be an instrument for the PS' political struggle; because not only is it unworthy of a socialist party to criticize a communist party from the standpoint of the right wing political forces, but that type of attack only has the effect of consolidating the APU electorate around the PC, making its growth irreversible.

DN: Isn't that proposal tantamount to a return to the policy of non-alliances which was the PS strategy during the 1975 and 1976 election campaigns?

JG: By no means, inasmuch as the present situation is entirely different, and the establishment of the Democratic Alliance signals a new political situation in the life of our country. We have never seen, under any circumstances, the right wing in power become divided to offer power to the left, or to afford the left access to power. In France, there is a majority with internal tensions which are far more heightened than those which might appear to affect the AD; but on essential issues that majority is functional. I think that somewhat the same thing may occur in Portugal, at least so long as the AD is a majority in the Assembly of the Republic.

DN: Then does this mean that in your view the PS must be prepared to remain in the opposition for a longer period than that until the next legislative and presidential elections?

JG: From a strategic standpoint, the PS would not find a prospect of that type very unfeasible. Some years ago, when the Swedish Social Democratic Party felt threatened from an electoral standpoint, it considered going to the opposition and appearing before the electorate with a program devised only to win the elections several years later. As a result of this delayed strategy, a change later occurred in the electorate which caused it to be the winner.

This means that the shortest road to the government may turn out to be the longest, and the longest road may perhaps prove to be the shortest. If the PS attaches priority to its reorganization and entrenchment in society, becoming receptive to the discussion of innovative issues, it can more readily stop its electoral erosion than by concentrating its tactics on the return to power at any cost, particularly through the contemplation of alliances which do not have any immediate practical prospects at present.

DN: Could the replacement of Jaime Gama, Manuel Alegre and Tito de Morais in the PS National Secretariat, be regarded as a shift to the right?

JG: It is not up to me to draw any inference regarding that change. I think that, since all the national secretaries from the previous "team" have resigned, an opportunity was missed to set up a new secretariat wherein there would be more extensive renewal than continuity.

Cultural Left

DN: At the Porto Meeting, Jaime Gama, who was minister of internal administration in the PS-CDS government left the National Secretariat. Entering the new secretariat was a leader who has always stood out in the "left wing" of the PS, and who was even invited to the Fifth Provisional Government. How would you explain the fact that the news media mention a shift to the right, or a victory of the "moderate line"?

JG: There is nothing special about my position, because I confined myself to complying with a party decision. As for the Fifth Provisional Government, I have always felt very much at ease (not over the fact of having responded negatively to any invitation that was addressed to me) but because I was never even invited for that purpose.

DN: But Jaime Gama was on that occasion indicated as one of the architects of that PS/CDS accord. Is that a fact?

JG: It is not. I was only one of the members of the group which the PS leadership appointed to negotiate with the CDS. The decision on the content of that accord was made by the PS National Commission, in which there was only one opposing vote, that of Tito de Moraes.

DN: How do you explain the association of your name (which has always been associated with moderate positions) with that of leaders to whom more radical positions are ascribed, such as Manuel Alegre and Tito de Moraes?

JG: There is great unawareness of the positions of the PS leaders, and a great deal of speculation about the actual scope of the proposals that are submitted. This results, among other reasons, from the rather unclear operation of the parties and the lack of sufficient circulation of information, not only within the political forces, but through the press as well. Hence, the positions assumed by the party organs always seem highly distorted outside, usually in the form of plots or even poisoning.

The PS has been experiencing a crisis that is well known to everyone. In my view, the resolution of that crisis must be based (not on ideological deformation) but rather on a debate held on all its echelons, wherein those problems can be discussed in depth. The PS has everything to lose by becoming converted into a mere electoral machine, and it has everything to gain by taking its place as a modern party of the democratic left, with a strong entrenchment among the workers. Democracy in our country would fare badly if the only party to speak for the poor and the workers, and to defend their interests, were the PCP.

It should come as no surprise that this position which I have assumed causes me to appear on the side of individuals who have been associated for a long time with the existence of the party itself, such as Manuel Tito de Morais, who was a founder of the PS, with Mario Soares.

DN: What is the significance of the convergence noted in Porto between the groups of "technocrats," personified by Vitor Constancio, and the members of the former Socialist Intervention, such as Jorge Sampaio? What is the common denominator between persons with such differing political careers?

JC: There has been a continuity of discourse between those sectors which has been conducted mutually. One of them provides a kind of aura of leftist culture, while the other, as a counterpart, guarantees a more quantified outlook on certain problems. In addition to this tactical coincidence, there are some differences in the manner of viewing issues. It is obvious to me, for example, that in the economic area Vitor Constancio and Joao Cravinho have rather different interpretations of the Portuguese and the international situation.

DN: Do you feel closer to Vitor Constancio or Joao Cravinho?

JC: It would be interesting if the PS, like countless other forces in the Socialist International, were to hold a conference on economic affairs, and if that issue were not an esoteric subject for small groups, but rather a topic for consideration by the large group of socialist militants on all levels. That would be the proper place to explain the different viewpoints from which economic matters are considered within the PS. Up until now, those views have been psychologically censored, and have given rise to a discourse on economics which is merely rhetorical and for external use, wherein the liveliness of a debate that will necessarily take place some day has not been achieved.

DN: The political analyst, Jose Miguel Judice, describes the "technocrats" and "GIS" [Socialist Intervention Groups] as leftist intellectuals, while the leaders removed from the Secretariat are said to be adherents of a '"Benfiquista" [a soccer team] PS and roasted sardine parties.' Do you recognize yourself in that picture?

JC: In fact, I do not think that such descriptions fit me. I am not a leftist intellectual, nor an adherent of a '"Benefiquista" PS and roasted sardines.' I think that the latter expression could be far more appropriately applied to other departures which did not take place [possible reference to nine who tendered resignations before Porto].

DN: Are you referring to the secretary general of the PS?

JC: The PS secretary general actually does like roasted sardines; but, from what I can judge, he is a follower of Sporting [soccer team].

DN: What were the national political strategies underlying the winning and losing proposals at the Porto meeting? For example, insofar as the presidential elections are concerned, could it be claimed that the line aimed at binding the PS to a potential second candidacy of General Eanes won?

JG: The presidential issue was not the point of disparity in the party's National Commission. What is essential for the PS is that it propose or back a candidate who is equipped to defeat the extreme right and right wing candidates. The establishment of the AD and the recent changes in national life have placed President Eanes in a good position to play that role. To some extent, the PS will inevitably be confronted with the prospect of having to negotiate with him on a second candidacy.

DN: Does this scenario indicate a second candidacy of General Eanes with the backing of the PS, and possibly of the PC?

JG: That would be a problem for the candidate Eanes. A candidacy of leftist unity (that is, with formal agreements between Ramalho Eanes, the PS and the PC) would have little chance of winning....

DN: But, in your opinion, would a candidacy of President Eanes, for example, backed by the PS and with abstention on the part of the PC in the run-off election, based on informal agreements, be viable?

JG: In view of the present distribution of political forces, there is every indication that the president will be elected in the run-off election. The essence of a candidacy that would win over the right would lie in its appearing in the first election and in the manner in which it is geared to obtain in the run-off election all the leftist votes without alienating a portion of the center electorate.

DN: Would it be undesirable, in your opinion, to consider a possible presidential candidate associated with what has been called the "central bloc," in other words, with the PSD-PD area?

JG: I think that some individuals might still uphold that notion, but under the current circumstances it does not seem to me to have a promising future. The political phenomenon represented by Gen Ramalho Eanes himself runs somewhat counter to the logic of such an alliance.

DN: Could not that candidate be Mario Soares himself?

JG: I do not think that the PSD would back a socialist candidate, and no socialist candidate would accept the backing of the present PSD for that purpose.

DN: In the realm of inter-party relations, would it be correct to state that, at the Porto meeting, a line counting on the division of the Democratic Alliance with a view toward a possible alliance between the PS and PSD was victorious?

JG: I would like to have seen that issue made more explicit at Porto, and I submitted a motion to that effect. The battle for the internal disintergration of the AD should not be a priority matter in the PS strategy. Other types of political activity are more conducive to the PS' recovery. I have never been an advocate of a policy that would be reflected in the fomenting of internal conspiracy in other parties, because neither democracy nor the parties gain from this. Such methods always end up causing counterproductive effects.

Monarchy and Republic

DN: With this conflict, could it be considered that the battle for the succession of Mario Soares in the PS has begun?

JG: It seems to me improper to discuss that matter in terms of succession, since the position of PS secretary general is not monarchical in nature. The replacement of the members of all the national leadership organs of the PS, without exception, takes place in accordance with a democratic system.

Moreover, the best example that the leaders can give is to prove by their actions that they are not clinging to their positions. It was for this reason that I felt rather free and available for a new kind of militancy upon my departure from the National Secretariat.

DN: Rephrasing the question in republican terms, might it be said that the battle has begun within the PS, not for the succession, but for the replacement of Mario Soares?

JG: The party's political problems cannot be expressed in terms of individuals, but rather on the basis of a strategic and tactical outlook. In the debate held in Porto, the matter of replacing the national leadership organs of the PS elected in the Congress, namely, the National Commission and the secretary general, was not discussed; but only the matter of changing the managerial organs emanating from the National Commission, that is, the National Secretariat and the Managing Commission.

Associative Leadership

DN: But could not the motion, which did not win a majority, to call a special congress not have been aimed at dealing with the replacement of the organs elected by the Congress members?

JG: In my view, so long as a previous political agreement existed, a Congress would be a means of mobilizing the members of the sections and cells, and might allow for statutory changes that would materialize in the establishment of a new type of national leadership for the party. In the future, the PS will have to head toward a type of national leadership consisting of a president, two or three vice-presidents, a secretary general,

and a treasurer (elected at a congress), and a national managerial organ with between 40 and 50 members. This is the customary method for leadership in parties of the Socialist International, and it has the advantage of allowing for associative rather than unipersonal leadership.

DN: What were the main differences with respect to organizational plans which cropped up at the Porto meeting?

JG: I signed a rather complete document on the party's reorganization. It called attention to several points. In the first place, the operation of all the party's national leadership organs, with special emphasis on the National Commission, the Managing Commision and the National Secretariat. The National Commission in particular should be called upon to play an increasing role as a leadership organ, which it is, and not as a chamber for consultation or ratification. Secondly, it seems to me essential to clarify the system of relations between the national leadership organs, clearly defining the authority of each of them. Thirdly, it advocated an area of activity and a budget that would include all the sectors of activity in the party without exception, and would set forth clear boundary lines for all the national leadership organs of the party. Finally, it advocated the extension of the decentralization within the PS to the financial area as well, without which it will never be effective. The party's revenue must be increasingly transferred to and invested in the federations, and not in activities on the national level.

Internal Tendencies

DN: Do you agree to the appointment of "historicals"?

JG: I consider it improper. Whether it be assessed positively or negatively, it does not indicate complete adherence to the nature and scope of the proposals which were submitted to this National Commission in Porto, which deserve considerable support from its members. In its statutes, the PS allows for the existence of internal tendencies. It is healthy for this to have occurred, and if the proposal for strategy and reorganization to which I was one of the signatories were to be interpreted in the light of that perspective I suppose that we would have been the first "sensitive" group to have assessed the real consistency in terms of support for it within the party's national leadership. It is beneficial for the PS that the other "sensitive" groups do likewise, since the majority received in the National Commission at Porto contains a gamut of positions that are not completely coinciding.

DN: Could your removal from the National Secretariat have been based (as has been hinted) on a tactic aimed at blaming the members who remained in the National Secretariat for potential future electoral defeats?

JG: No; nor do I imagine that there was any attempt on the part of the members who remained in the National Secretariat to place the blame for the PS' decline in the last legislative elections on the members who left....

DN: That has, however, been one of the most common interpretations. Could there have been a need to find "scapegoats," and could the choice have been made precisely of personages whose public image is more outworn?

JG: The analysis of this matter involves two levels: the national and that of electoral circles. The three members who have now left the PS National Secretariat accrued results in the respective electoral circles as candidates for deputy that would not bear out that theory. Moreover, it is not fair for a party itself to create its own "scapegoats," when there are leaders who should collectively assume responsibility. As he himself is in the habit of saying, the person most responsible for the PS policy is the secretary general.

Room for Others

DN: We read somewhere that your departure from the National Secretariat was due to the "inglorious fall of a moderate." Was it a fall? Was it inglorious? Was it that of a "moderate"?

JG: I am in an extremely free position to assess the political activity and operation of the PS from a different standpoint. I had spent a long time in the PS National Secretariat, and it was time to make room for others. This should be the kind of spirit that exists in all of the party's national leadership organs. The worst thing that could happen to a politician is to strive obstinately to hold an office beyond the period wherein it is desirable.

DN: Your name has been mentioned as that of a "dauphin" of Mario Soares, a future secretary general. Is that accurate?

JG: No. The only "dauphin" of Mario Soares is he himself.

DN: Does your departure from the National Secretariat mean less involvement in party activity?

JG: I shall devote myself more intensively to relations with my electoral circle, which is the autonomous region of the Azores; and I shall attempt to make some studies related to the history of socialism in Europe and Portugal. It is a subject in which I am quite interested, and I think that the PS will stand to gain from such a study.

DN: Throughout this interview, you have cited the parties of the Socialist International as a model to be adopted by the PS. Now the recent history of Europe indicates an electoral setback for those parties. How would you interpret such failures?

JG: They have a merely incidental significance, resulting from the fact that those parties were in power at the height of an international economic crisis. If the conservative, or the Christian Democratic parties had been in

the government, the same thing would have happened, and the shift would be in the opposite direction. To me, the European Social Democratic Parties constitute a reference point. The worst thing that could happen to the PS would be to assume a position to the right of the majority of those parties. At this point, it would not make sense for the PS to do so; it would be more fitting for the PSD.

2909
CSO: 3101

INFLATION FOR 1979 REPORTEDLY REACHED 24.2 PERCENT

Lisbon A TARDE in Portuguese 23 Jan 80 p 11

[Text] The total annual consumer price index (CPI) for 1979 (excluding housing) reached 24.2 percent, according to information supplied by the National Statistics Institute (INE).

The category in which the CPI increased most was that of "food and beverages" (28.0 percent).

In this category, there was a 33.3 percent rise in 1979 for beverages, with alcoholic beverages experiencing a 34.2 percent increase.

In the category of food per se, the CPI for 1979 showed a 27.5 percent increase, with increments of 76.4 percent in the category of "starches and fats," of 76.1 percent in that of "frozen fish," of 39.5 percent in that of "meat, scraps, sausage and poultry," and of 28.5 percent in that of "lamb."

As for the CPI related to food consumed away from home, the increase announced by the INE was 24.1 percent.

In the category of pork, beef and mutton, increases of 57.5, 41.0 and 31.0 percent, respectively, occurred.

The total increase in the 1979 CPI in the category of "clothing and footwear" was 25.1 percent. There was a 36.3 percent rise in footwear, and 22.7 percent in clothing.

In the category of housing expenses, wherein the consumer price index rose 13.1 percent, the main increases affected the items "fuel and electricity," with a 19.9 percent increase, and "current household expenses," with a 13.5 percent increase.

The category of "miscellaneous," with a 19.0 percent increase, is highly diversified insofar as its components are concerned, because it includes items ranging from "health" to communications and transportation.

Communications registered a CPI increase of 26.9 percent, with the largest increment in the category in the item "telephones," namely, 27.8 percent.

"Tobacco and smoking expenses" cost an additional 31.9 percent last year, whereas the cost of transportation rose 19.4 percent, and that of medical care, 23.8 percent.

During the month of December, consumer prices (with the exception of those of housing) increased 1.44 percent.

2909
CSO: 3101

EDITORIAL WARNS OF SOVIET ESPIONAGE IN PORTUGAL

Lisbon A TARDE in Portuguese 8 Jan 80 p 5

[Editorial by Francisco Ferreira: "Soviet Espionage in Portugal"]

[Text] The press has reported on a network of KGB agents operating all over Europe and it also has a base for its dangerous activity in Lisbon, in an activity that is threatening the security of the Portuguese people. Some of those spies who observe, listen to, examine and ferret out everything have already been detected. Their names are known. Among them are Georgiy Fediachin, vice president of the Novosti News Agency, which publishes the periodical VIDA SOVIETICA [SOVIET LIFE] and other materials in Portugal with which it is attempting to manipulate public opinion, and Military Secret Service agent Aleksandr Kulagin, at present an assistant to the Soviet military attache in Lisbon.

The dangerous nature of the activity of those repulsive persons lies in the fact that, under conditions of democratic freedom, it is difficult to detect all the Soviet spies who have operated or are operating in Portugal. One of them, an assistant to the Soviet military attache in Lisbon, was apprehended in activities incompatible with the official post that he held. That case of espionage was hushed up by the official agency concerned. This silence was due to interference by the ambassador of the USSR who came hastily to promise to put the infractor on the first Soviet aircraft going to Moscow as punishment. It is difficult to devise a greater punishment for the infractor. The case was commented on in an article for a state-controlled daily newspaper, but, at that time, censorship was in operation.

At that time, an East German diplomat was expelled from Portugal. He had less influential protection.

Spies from the so-called "socialist world," operating on a worldwide basis, are a great threat to the people's security. The activity of the KGB agents lays the so-called "objective conditions" and makes "higher actions" possible, leading to very serious consequences. The Soviet invasion of Afghanistan is a consequence of subversive activity by native personnel and by Soviet spies.

The newspaper IZVESTIA, organ of the Kremlin government, admitted the following in a report by its Kabul correspondent, in its 30 August 1975 issue:

"A number of Afghan executives from the Nangarha complex have studied in technical and higher institutes in the USSR. The Afghan executives," the correspondent pointed out, "are progressing surprisingly fast."

So fast that 3 years later they made a revolution.

The person who became President Taraki, who manipulated the Afghan Armed Forces for 13 years, was among those executives.

The Afghan executives were at the head of the 27 April 1978 revolution. With the assistance of the Soviet "specialists" who were helping Afghanistan, they overthrew the democratic-republican regime of President Mohamed Daud.

Thus, a Marxist-oriented government was installed in that country. It opened the Afghan borders up to elite Soviet military units, commanded by the KGB.

The possibility is not ruled out that certain Portuguese students invited by Russia to attend Soviet institutions of learning have become, consciously or otherwise, assistants to the KGB agents operating in Portugal.

By placing its personnel in news agencies, some with offices in Lisbon (Novosti, Taas, PRAVDA, and so on), in shipping agencies or even in its embassy, or by inducing the Portugal-USSR Friendship Association to "draw up invitations" to "architects," "engineers" and other "technicians," KGB subjects Portugal to an invasion by members of the Soviet secret services.

That invasion is an increasing danger to the security of every Portuguese citizen worthy of this name.

10,042
CSO: 3101

GREETINGS MESSAGES TO PCP FROM 'FRATERNAL' PARTIES

Lisbon AVANTE in Portuguese 10 Jan 80 p 2

[Text] The PCP Central Committee has received two more telegrams from executive organizations of sister parties with greetings for the achievements of the PCP and its allies in the last election; one, from the Congolese Labor Party and the other from the Democratic Front for the Liberation of Palestine. In the first one, it is stated specifically that "the parliamentary election held recently in your country has demonstrated once more the constant growth of the influence of the Portuguese Communist Party, which increased its representatives in comparison with previous elections. This election progress, which was general in the country and spread even to the most conservative areas, is the result of the persevering struggle conducted by your party in defense of the interests of the people and of the Portuguese workers. Thus, as a consequence of your brilliant victory, we forward to you, on behalf of our party's Central Committee, our sincere, fraternal greetings, stating that we are certain that all the forces of the left in your country, and your party in first place, are determined to defend firmly the democratic conquests of the April Revolution."

In the message from the Central Committee of the Democratic Front for the Liberation of Palestine (FDLP), it is pointed out that the increase in the influence of the PCP recorded in the last election "clearly reveals the growing support of your party by the democratic working masses. Your party is the essential guaranteee for defense of the Portuguese revolutionary conquests and the basic instrument for consolidating and developing those conquests. Although the rightist coalition obtained temporary success in this election, the defeat of the Socialist Party is very significant, because it is a consequence of its social-democrat policy that administers, protects and defends the interests of capitalism, antagonizes the interests of the Portuguese working class and rejects cooperation with the vanguard of the working class, namely the Portuguese Communist Party."

10,042
CSO: 3101

SOCIAL AFFAIRS MINISTER ON NATIONAL HEALTH, OTHER TOPICS

Lisbon DIARIO DE NOTICIAS in Portuguese 17 Jan 80 p 3

[Report on speech by Joao Morais Leitao, minister of Social Affairs, on 16 January 1980, in the Assembly of the Republic]

[Text] The minister of Social Affairs, Morais Leitao, stated yesterday, in the morning parliamentary session, that "socialization of medicine does not mean collectivization of means, but rather ensurance of the social, integrated function of their utilization." He also said that he is certain that it will suffice for the government to put the existing means in operation to "make a spectacular improvement" in the health of the Portuguese people. In his speech, full of numerical data, Morais Leitao revealed specifically that more is being paid at present for sickness subsidies than for family allowances.

The government's slogan with regard to social security is "to improve what is being done and not to promise what cannot be done." In principle, according to the minister of Social Affairs, the intention of the executive branch is on record to revise -- and consequently to revoke, in the revised part -- the National Health Service Law approved in the previous Parliament. This revision will not be limited to certain technical features. It must affect "the whole philosophy of state control," without whose modification -- according to Morais Leitao -- "we shall be able to continue to write pages in the DIARIO DA REPUBLICA that the National Health Service will remain unchanged."

These statements by the minister of Social Affairs resulted from questions asked by a socialist deputy, Antonio Arnaut, who, in turn, denied that the "small, temporary majority" supporting the executive branch has "moral authority to revoke the SNS [National Health Service] law."

The speech by Morais Leitao dealt especially with matters connected with health and social security costs, whose total amount exceeded 100 million contos, in 1979, and should be higher than 130 million, in 1980. According to the data furnished by the minister, this means that, last year, for an active population of close to 4 million persons, the per capita amount of public expenditure for health and social security was 25,000 escudos.

It also means that the state will spend over 30 contos for each member of the active population this year.

"If these figures are compared with the generalized feeling of frustration among the people with regard to the quality and quantity of the services performed, the gravity of the problem that we all have to confront will be realized immediately," Moreis Leitao said, pointing out also that the state's expenditure on health alone has quadrupled since 1975.

This analysis of the situation in the sector of Social Affairs merited criticism from the socialist and communist groups, especially from Vitor Vasques, of the PS [Socialist Party], who wanted to know if the present government intends "to return to the system of capitalization" of health and social security facilities, to the detriment of the system of distribution practiced since 25 April [1974]. Morais Leitao denied that this is the trend to be followed, but he believed that it is indispensable to restrain the depletion of capital in progress in the sector. At present, this depletion of capital finds expression, according to the minister, in an amount of 45.7 million contos, since 1973, and, in spite of that fact, there has been no real improvement in benefits due the beneficiaries.

According to the minister of Social Affairs, the imbalance is also affected by deferred debts amounting at present to 28.7 million contos and by situations of absenteeism whose subsidies represent 12 percent of the total charges.

"Although it is true that the present economic situation is affecting this, that financial means are limiting it and that ethical behavior requires that no promise be made that cannot be kept, that does not prevent the government from accepting the challenge of consolidating a system of social security based, as everyone desires, on freedom from the needs created by situations of shortage, Morais Leitao said.

Respect for the Social Value of Physicians and Paramedics

The minister stated that the "government says no to revolutionary projects, whether they are exclusively bureaucratic in nature or exclusively liberal." He added that measures for administering and rationalizing financial and human resources will be given priority, in order to "use profitably the 40 million contos that we are laying out in public expenditures for health and to promote a solution to the people's concrete, urgent problems."

Morais Leitao assured physicians and other health professionals that "he will respect the specialties and the technological value of their professions, rejecting their treatment as civil servants and bureaucrats and that he will expect, in exchange, "that all those who are incorporated functionally in the National Health Service will roll up their sleeves, devote their effort, concentrate their determination in a way that will be worthy of the well-known, respected concepts of material disinterest and of social responsibility peculiar to health workers."

Figures given by Morais Leitao show that, at present, there are 18,101 practicing physicians or preparing to practice, representing a ratio of one physician for 500 inhabitants, while, with regard to means available in hospitals, diagnosis facilities and health centers, the situation also "is nothing for us to be ashamed of." Therefore, the minister of Social Affairs placed special emphasis not on an increase of existing means, but, rather, on a rationalization of their utilization. This gave rise to some questions among opposition deputies who wondered how the government was going to proceed to obviate the fact that most of the technical health personnel were concentrated in the three main coastal cities, Lisbon, Oporto and Coimbra.

Morais Leitao also mentioned critically the measures of a social nature decreed by the fifth government, representing expenditures of 15.7 million contos.

"It is easy to allocate the cost of previous measures to future governments," he said after a speech by communist deputy Zita Seabra who sought to know what increases the government intended to decide on for the million and a half retirees who are receiving a little more than the minimum pension and have not yet had their monthly remuneration adjusted.

Vitor Crespo: "Strictly Speaking, There Is no Education System in Portugal"

Right at the end of the afternoon, another important speech was the one by the minister of Education and Science, Vitor Crespo, who gave a breakdown of the present situation in his field. "Strictly speaking," he stated, "there is no education system in Portugal." During his speech, listened to very attentively by the Chamber, he mentioned conflicts, inadequacies, anomalies and deficiencies observed from primary education to higher education important to the problems that this causes for students, country, persons responsible for education and teachers.

For example, there are no "classrooms for 150,000 students in junior and senior high schools and schools attended by another 160,000 students have to be replaced. In other words, it is necessary to replace half of the existing network of schools and to build another third of the desirable network. This amounts to 40 million contos, at 1979 prices."

10,042
CSO: 3101

AGRICULTURE MINISTER ON AGRARIAN REFORM, OBJECTIVES

Lisbon DIARIO DE NOTICIAS in Portuguese 17 Jan 80 pp 3, 6

[Report on speech by Antonio Cardoso e Cunha, minister of Agriculture and Fisheries, on 16 January 1980, to the Assembly of the Republic]

[Text] "The government is going to try to settle cases still outstanding pertaining to 1978 and 1979 storms and it is pleased to inform the Assembly that aid plans have already been sent to Algarve farmers affected by the black frost on the last few days of the year," the minister of Agriculture and Fisheries announced yesterday during his speech on the agricultural policy to be implemented by the executive branch, when he dealt with the matter of the so-called "crop insurance." And, later, in his concrete analysis of the problems affecting the area of Agrarian Reform, he stated that "the government does not accept it with the strategic objective of destroying a specific social-economic balance from an exclusive point of view of political struggle."

Starting by pointing out that, at present, agriculture is indicated as the best factor affecting growth of the economy on an overall basis" and that "a long past of interventionist corporatism embedded an attitude of constant expectation, a melancholic indifference, in agriculturalists" that "the social experience undergone in rural areas since the 1974 revolution has either not modified or has introduced in them collectivist and still more inventionist variations," he emphasized the fact that "only a dreamer can admit that, in the short term, a miracle that will put agriculture on the course desired by many is possible. Nevertheless, it seems clear that it is becoming essential to change the basic premises." Then, he went on to state that, "just as is happening in Europe, we have to accept and become accustomed to the idea that an agricultural enterprise, large or small, does not differ appreciably from the other enterprises making up our economy and that agriculturalists have no fewer needs than a worker in industrial areas. It is up to the state as a whole to take a decisive stand on that new balance that is being demanded."

He concluded by stating that "the situation in the fisheries sector is, unfortunately, not more encouraging. Fishermen are still using traditional methods and the training support that they have received is inadequate."

Method of Approach To Be Used by the Government

When he entered upon the second part of his speech, Minister Cardoso e Cunha stated:

"To start tackling this situation pragmatically, the government intends to act on several fronts: by increasing the number of training centers, both fixed and mobile, in order to include annually an increasing number of farmers and workers who will benefit from them; by coordinating with the Ministry of Education and Science the introduction of education in agriculture and fishing methods in general education primary and secondary schools located in predominantly agricultural or fishing areas, resorting to the peripheral services of the MAP [Ministry of Agriculture and Fisheries] for providing instructors, regionalized technical guidance on the subject matters to be covered and arrangement of field trips and other forms of contact with the situation of the communities in which they are located; by setting up an itinerant department of the Pedroucos Fishing School that will achieve decentralization at minimum cost of an initial step in training fishermen. In addition to man, soil is the second basic factor on which any national agricultural policy must rest. Both are what they are and it is not easy or fast to change them. Because these two essential factors have qualitative features that are not brilliant, they exist quantitatively in a different way. In fact, soil is scarce and the agricultural population is excessive. In a universal economic situation dominated at present by concerns about generalized shortage, no consciencious government can disregard the principles of conservation of soil resources and of ensuring their renewal.

There are, however, urgent objectives for increasing agricultural production and productivity of these factors. In view of the need for conserving natural resources, challenges of technological development aimed at giving priority to soil-conservation crop systems and at resorting to mechanisms of technical support in agriculture are laid upon agricultural activity planning actions, in order to develop experimental bases for justifying the intensification (and introduction, in some cases) of balancing crops. In addition to that, the state must guide production activity with agricultural promotion activities in the desired direction, in this case conservation of natural resources. The state's direct activities in the field of agriculture, measures encouraging farming activities (credit, possible subsidies, interest reduction, insurance, priority supply and product marketing systems, tax incentives, and so on), also initiatives integrating agricultural activity (infrastructure, improvements advantageous to the collectivity, standardization of the distribution channels, agricultural extension service, scientific research, and so on), all these encouragement activities should be selective, graduated and in proportion, on the one hand, to the actual capability of the soil and to its renewal potential, and, on the other hand, to the deficiencies that must be made up for in accordance with principles of agricultural procedures that respect maintenance of the balance of the systems involved.

Concerning fisheries, the same principles and activities of resource conservation are applicable with the requisite adaptations."

Crop Insurance

When the minister of Agriculture and Fisheries went on to analyze the so-called "crop insurance" established by the fourth government, he said that "the government is going to make every effort to put this insurance rapidly in operation, to ensure that the premium will be limited to a fair relative amount in comparison with anticipated production and it is going to make use of its capability of improving the pertinent premiums as one more selective promotion and guidance instrument. The concept of "crop insurance" should, however, be carried out with a more progressive orientation, by coordinating it, if that appears to be advisable, with the agricultural credit system itself within a more general concept of credit insurance. The experience of other countries shows that this is the sole course leading to the workability of modern agricultural activities, especially the use of greater risk technological methods.

It will be a medium-term or long-term objective to allow the nation's agriculture to be able to evolve toward a system of industrial justice in which the indicated risks will be covered by insurance plans. Meanwhile, natural disasters still occur for which there is no solution other than recourse to subsidies or favorable financing. In cases in which this course may be required, care must be taken that support will arrive in time. The government will try to solve cases still pending with regard to the 1978 and 1979 storms and it is pleased to report to the Assembly that aid plans for the Algarve farmers affected by the black frost at the end of last year have already been processed."

Scheduled Action

He went on to say: "The Democratic Alliance government, elected on the basis of a personalist election platform and respecting individual initiatives, cannot overlook the fact that reconciliation of these principles with imperatives of a workable economic size can only be achieved by means of an intensification of free, aware and participating association.

At the same time as it rejects an imposed collectivism serving ideologies or political parties, the government will protect and encourage every kind of associationism based on the interests of the producers themselves, rejecting attestations of civic minority implied in the paternalistic or autocratic relations of certain associations or cooperatives. Whether associationism takes on the form of a cooperative or of an association of producers, its contribution to the economic system will be protected by means of the following action:

Priority treatment in matters of taxation; participation in the System of Financing Agriculture and Fisheries (SIFAP); encouragement and development of mutual insurance associations; access to special lines of credit

provided in the MAP for projects with special inductive effects on the activity sector or the region; participation by associationism aid funds in partial support of posts with managers, including in this action the establishment of pools of young graduates in search of their first job; protection of participation by cooperatives and producers' associations in downstream processing projects, in order to establish a larger share of the total value added in the primary sector; negotiation of workability contracts with cooperatives and associations in a precarious financial situation, giving priority to their social benefit and facilitating, where pertinent, their reinstatement in normal relations with the state and with the economic system."

Agrarian Reform

When the minister entered the final part of his speech, devoted concretely to the problems affecting the area of application of the Agrarian Reform, he said: "The government understands the Agrarian Reform as a mechanism that should aim at enriching our agricultural patrimony, that should give rise to a better use of the land, more production and greater productivity, an increased contribution by the agricultural sector to the nation's economy, an adequate solution to the real interests of the workers, an improvement of the standard and quality of living in rural areas. The government does not approve an Agrarian Reform pursued with the strategic objective of destroying a specific social-economic balance from an exclusive point of view of political struggle, giving rise to an unstable system, constantly in a state of social crisis, whose survival requires a constant disregard for rules of economic coexistence imposed on the majority of the Portuguese people by the democratic authority of the state. The government's action in the field of the Agrarian Reform will, thus, proceed from a point of view of European integration, as is recorded in the platform. That European point of view contains the concepts of strict compliance with the constitution and laws, of orientation of landed property reorganization action toward the establishment of workable, competitive units in European terms.

"Concerning the proposal to revise the Law on Bases that the government intends to prepare and send to this Assembly, the results of the concrete experience in application of the present law during 2 years and give governments. Approval, amendment or rejection of this proposal is up to Parliament, as everyone knows.

"In conclusion, I am touching on the problem of activating security forces in the area of application of the Agrarian Reform. And I do this by ensuring that the state is not going to 'turn land over to absentee large landowners,' because that would be contrary to the law that the government swore to observe. And it is not going to 'throw the GNR [Republican National Guard] on the workers,' because the GNR, as a force of the Republic, is not at the orders of the government. Respect for the armed and militarized forces and acceptance of their independence are part of the determining concepts of democracy.

"The government will be the first to regret situations of instability giving rise to intervention by the public forces. The government desires, more than anyone, social stability and obedience of the law."

10,042
CSO: 3101

INDUSTRIAL OUTPUT STAGNATED DURING 1979

Lisbon O DIA in Portuguese 8 Jan 80 p 3

[Text] Portuguese industrial activity has been stagnant for a year, in spite of the very sharp increase in exports, according to the conclusion of the National Statistics Institute (INE).

The increase in foreign sales was not enough to make up for the lack of domestic demand, as is stated by the INE's quarterly report on the state of the manufacturing industry.

This INE bulletin points out, with regard to the third quarter of 1979, that another conclusion drawn from the results of the survey is the maintenance of a deficient production structure, resulting from the failure to have made the effort required for an effective redimensioning and re-equipping of the nation's industrial facilities.

The INE does not anticipate that this situation will evolve positively in the short term and it states that even the present level of exports probably is not to be maintained, not only because the international economic situation has been worsening, but also because it is concentrated in a policy that has supported the competitiveness of Portuguese products abroad by means of a progressive devaluation of the escudo and of restraint of real wages.

The INE stresses the fact that the consequences of the decline in investments that has occurred in industry in the last few months are rather negative. Their effects have already begun to be felt, although mildly.

Concerning industrial activity in the third quarter of 1979, the INE states that the expected decline was much less than the one detected in the same period of 1978 and from which "the industrial sector has not yet succeeded in recovering completely."

The INE believes that the prospects concerning the future behavior of industrial activity cannot be viewed very optimistically.

Nevertheless, it states, the forecasts drawn up by the managers for the fourth quarter of 1979 although optimistic are justified from a short-term point of view.

Investment Decline

But not only market problems are affecting industrial activity. The INE also mentions the actual decline of investments in industry.

At this time, it points out, 40 percent of the industrial sector cannot increase production, owing to problems tied essentially to an inadequacy of equipment and facilities, compared with 34 percent in the same period of 1978.

This variation cannot be explained by a very sharp increase in the rate of production, because the rate of utilization of production capacity remained practically unchanged. Only obsolescence and deterioration of the production structure, caused by a lack of replacement investment, can justify this behavior.

The rate of utilization of the production capacity underwent no change in the third quarter of 1979 in comparison with the second, both on an overall basis and on the basis of item type.

Industries producing consumer goods are still the ones showing the most underutilization of their installed capacity, leading to the fact that close to 28 percent of the establishments regard their production structure as more than sufficient in view of demand requests.

Along with this definite underutilization, the INE points out the coexistence of situations of production strangulation affecting 37 percent of the establishments, owing primarily to supply difficulties and to equipment insufficiency or deterioration.

Domestic demand continued to move toward a decline in the third quarter of 1979, although at a slower rate than in the second quarter. Foreign demand showed a slightly expanding trend in the third quarter and the rate of utilization of the production capacity showed no variation, remaining at 75 percent, which has been the average value since the beginning of 1978, lower than the one observed in 1977 (average fluctuating between 77 and 78 percent).

The most unfavorable variations in the third quarter situation occurred in establishments employing between one and 19 persons.

10,042
CSO: 3101

SETENAVE INCREASES COOPERATION WITH FORMER COLONIES

Lisbon DIARIO DE NOTICIAS in Portuguese 18 Jan 80 p 2

[Text] This year SETENAVE will intensify cooperation with Guinea-Bissau and Mozambique, Costa Leal, president of the administrative council of the shipyards, has told ANOP. There are also plans for cooperation with Angola.

"SETENAVE cooperation will make it possible to repair five fishing vessels of GUIALP, a joint Guinean-Algerian enterprise, in Bissau's shipyards. The damaged ships have been out of operation for some years," Costa Leal said.

SETENAVE is also awaiting a reply to proposals presented during the last quarter of 1979, regarding technical assistance to Guinea-Bissau's shipyards over the next 3 years until they are in a position to function on their own.

Cooperation with Mozambique "had auspicious beginnings, and will go forward this year." There are three proposals under study regarding the reorganization of the Maputo and Beira shipyards and the overhaul of a cargo ship in that country.

Regarding Angola, Leal declared: "This year SETENAVE hopes to establish ties of cooperation such as we have established with Mozambique and Guinea-Bissau."

SETENAVE is to collaborate "in physical and material terms" in the reorganization of Bissau's shipyards, the reactivation of which will contribute greatly to Guinea-Bissau's economic development.

SETENAVE teams have been in Bissau, the last of them having returned from there at Christmas time.

Costa Leal noted that reorganization of the Bissau shipyard is also to Portugal's interest, since it is in the process of forming a joint trawling enterprise, SNAPA, which will need a shipyard for naval repairs.

This year SETENAVE will continue to cooperate with Guinea-Bissau in the area of professional training. A new group of trainees is expected to arrive in Setubal this month.

6362
CSO: 3101

COOPERATION PROJECTS WITH FORMER COLONIES STUDIED

Lisbon DIARIO DE NOTICIAS in Portuguese 28 Jan 80 p 3

[Text] Economic and sociocultural cooperation with the new Portuguese-speaking African nations will be implemented this year through many plans which are being studied, wherein the sectors of public works, transportation, communications, health, education and occupational training will continue to be the main areas for cooperation.

Noteworthy among the various plans is that relating to the formation of multinational mixed companies operating in the fishing sector and involving Portugal, Sao Tome, Cape Verde, Guinea and Angola, which will make tuna fishing possible all year long.

With regard to Mozambique, despite the interruption in the negotiations on the so-called "colonial dispute," several Portuguese companies, such as Quimigal, EDP, SETENAVE, COBA and Sorefame,have cooperated in the textile, port and dam construction, and heavy metalworking industry sectors.

The training of technicians and technical assistance in the sectors of banking, insurance, maritime transportation and the production and distribution of electricity have been the main areas for cooperation between Portugal and Angola; and preparations are well under way for agreements that will extend it to the areas of the mining and processing industries, transportation, telecommunications, postal service and petroleum.

During the third meeting of the Portuguese-Cape Verdian Committee at the end of last year in Lisbon, protocols were signed in addition to those already in existence, relating to news media, transportation, health and consular affairs. Hence, it is anticipated that there will be a substantial expansion in these areas this year.

With respect to Guinea-Bissau, a nation that has received cooperation from Portugal in the organization and establishment of its public sector, chiefly through the preparation of studies on organization and the sending of technicians, it is expected that the cooperation between the two countries will continue this year, including the provision of study grants and occupational training.

2909
CSO: 3101

ASSEMBLY OF AUTOMOBILES DECLINES IN 1979

Lisbon O DIA in Portuguese 28 Jan 80 p 2

[Text] The bulletin of the Portuguese-German Chamber of Commerce reports that during the first 8 months of 1979 the number of passenger automobiles (CKD) assembled in Portugal declined 42.5 percent in comparison with the same period in 1978; in other words, from 28,358 units to only 16,321.

In comparison with the same period in 1977 (when 47,310 units were assembled), there was a 65.5 percent reduction. On the other hand, the imports of complete passenger automobiles increased during the first 8 months of 1979 over the same period of the previous year by 101.5 percent (905 units to 1,824). Of this number, 66.2 percent related to passenger cars of German makes.

Between January and August 1979, The Simca, Fiat and Ford companies increased the number of passenger car units (CKD) assembled by percentages of 1,735.3, 21.6 and 27.5, respectively, over the figures for the previous year.

Also according to the Portuguese-German Chamber of Commerce, as of the middle of the first quarter of 1979, the average wages in the industry and in transportation, on the index relating to Lisbon, stood at 16.7 percent over the average for the same period of the year before. However, in real terms and when defated, they stood at 8.7 percent under the level for the first quarter of 1978.

2909
CSO: 3101

BRIEFS

TRUCKS FOR ARMY--On the basis of an award made in international bidding, Motor Iberica, a Spanish factory representing the Ebro trademark, will sell 500 units to the Portuguese Army. The leading European and Japanese firms took part in the bidding, and it is known that Motor Iberica has been interested in the Portuguese market for a long time. [Text] [Lisbon EXPRESSO in Portuguese 19 Jan 80 p 13] 2909

FOOTWEAR EXPORTS INCREASE--Portugal's shoe industry reached 2.5 million contos in exports in the first 6 months of 1979, as against 2 million contos in exports during all of 1978. The statistics were presented at a meeting in Porto, promoted by the Pinto e Sotto Mayor Bank. Compared with the 120 million contos in exports in 1973, the figures clearly illustrate the development of the sector. During the meeting, the industrialists stressed the need for continuing modernization in shoe manufacture, and the vital importance of greater and more efficient financial support from the banking institutions. [Text] [Lisbon EXPRESSO in Portuguese 19 Jan 80 p 13] 6362

CREDIT FOR GUINEA-BISSAU RENEWED--Two lines of credit for a total amount of $2.5 million, which Guinea-Bissau opened in Portuguese banks, in 1979, to finance its imports of consumer goods from Portugal, have been renewed for 1980. The larger of the two lines of credit, amounting to $2 million, was opened at the end of 1978 by the London branch of the Totta and Azores Bank. The other one, $500,000, was negotiated with the Portuguese Real Estate Credit Bank. A relatively short time ago, Guinea-Bissau also requested renewal of another line of credit for $4 million opened at the end of 1978 by the General Deposit Bank and which is practically used up. In 1979, Guinea-Bissu negotiated with the London branch of the Totta and Azores Bank a second line of credit amounting to $1.5 million still being utilized. The four lines of credit amounting to $8 million have been used up to now to finance imports of consumer goods on the Portuguese market and that use will be continued in 1980. [Text] [Lisbon A TARDE in Portuguese 7 Jan 80 p 13] 10042

CSO: 3101

GOVERNMENT TO REORGANIZE OIL INDUSTRY

Madrid ABC in Spanish 13 Jan 80 p 37

[Text] The 100 percent nationalization of CAMPSA [Leasing Company of the Petroleum Monopoly, Inc], which would become the sole administrator of the assets of oil monopoly and concern itself solely with the distribution network, is one of the main points in the proposal on the makeup of the state share in the hydrocarbons sector. The ministers of finance, industry and energy, and commerce and tourism recently reached an agreement on this proposal, although the first vice president of the government, Fernando Abril Martorell, could foreseeably introduce a series of modifications, some of which could be substantial. According to what totally reliable sources have told PETROLEO, Abril Martorell "has very clear-cut ideas about the problems of the sector and the decision-making power to put them into practice by overriding the many interests that have so far delayed a definitive, forward-looking solution."

The proposal on which the three ministers have reached agreement includes a series of principles and actions. Among the former are maximum protection of national interests vis-a-vis foreign interests and the acknowledged importance of the private sector, which the proposal wants to bolster and promote. The original idea of setting up a single large petroleum agency has been abandoned, paving the way for the formation of two major groups, a public agency with a small private share, and a private agency, also with some public input, with emphasis on the necessary and appropriate vertical integration of the two.

ENPETROL and CEPSA [Spanish Petroleum Company] at the Head of the List.

One of the basic principles of the proposal is to raise all possible barriers to foreign interests, especially as far as distribution is concerned, thus making the monopoly by right a monopoly in fact. The distribution of products requires enormous investments in plants,

subsidiaries, pipelines, ships, tank cars and tank trucks, which represent the main barrier to the interests of the large foreign companies. CAMPSA, which is the sole agency with such a distribution network, will sign long-term contracts for its use, both by the government and the private group, and could even reach agreements with foreign companies, but always under less favorable conditions.

Under the aforementioned proposal, the "public group" includes ENPETROL, which would head up the list of public enterprises in the sector; PETROLIBER; ENIEPSA, to which CAMPSA's current mining holdings would be transferred; Elcano; Butano and ENAGAS. The "private group" would consist of CEPSA, PETRONOR, PETROMED while Ert Asesa would retain its current dual status, with 50 percent public capital (CAMPSA) and 50 percent private (CEPSA). CAMPSA's 33 percent share in PETRONOR would be the public share in the private group; this could increase as the 19 percent once offered to PEMEX [Mexican Petroleum], which apparently does not want to boost its 15 percent share, is distributed in equal portions.

Hispanoil remains on the outside, to continue its overseas exploration activities and efforts to purchase crude oil for the Commerce Ministry's quota. As far as oil purchases are concerned, the accepted principle is that they are the responsibility of the business groups, although in times of crisis, as now, when particular emphasis is placed on government-to-government pacts, Hispanoil will boost its purchases as much as possible. This year, for example, they will account for half of our crude oil imports.

The administration will lend maximum support to hydrocarbons exploration activities, both by the "public group" and the "private group," based on the principle that public money cannot be given to anyone exclusively.

A Holding Company On Top

Top-level authorities have made two major objections to this proposal, which has been formulated on the principle of keeping the existing enterprises and ruling out the possibility of setting up another. The first objection is that it is a mistake for the "public group" to unite around a refining enterprise like ENPETROL, the feeling being that the acquisition of crude oil, exploration, production and distribution take precedence over refining, in view of our entry into the EEC. Secondly, it is considered a mistake not to bring in Hispanoil, which is a fundamental element. To resolve this situation, a decision could very possibly be made to set up an independent company, such as a financial holding company, to

bring together all of the public shares in the hydrocarbons sector, including the entire public group that was initially put under ENPETROL, as well as CAMPSA and Hispanoil. The company, which could be 50 percent INI and 50 percent state (or comparable percentages), would come under the Economy Ministry or quite possibly an Energy Ministry, the creation of which is being considered with increasing urgency.

Another of the modifications of the proposal could well be to include PETROLIBER in the private group, although the state would not relinquish its share in the enterprise. Also, ENPETROL might absorb PETROMED, and thus the "private group" would control the refineries on the Bay of Biscay, including CEPSA-Algeciras, and the "public group" would have the refineries on the Mediterranean.

2743
CSO: 3110

HOURS LOST TO STRIKES REACHED NEW HEIGHTS IN 1979

Barcelona LA VANGUARDIA in Spanish 11 Jan 80 p 5

[Text] Madrid, 10 January--The number of work hours lost to strikes in 1979 totaled 171,067,049, an increase of 32.87 percent over the 128,738,478 hours lost in 1978, according to the CEOE [Spanish Confederation of Business Organizations] report on labor conflicts.

Labor conflicts were up 31.93 percent from 1978 in terms of the number of strikes; up 78.7 percent in terms of personnel; up 58.33 percent in terms of the total number of strikers, and up 32.87 percent in hours lost.

During the last month of 1979, there were 112 strikes in the country, which affected companies and sectors with 806,107 workers, 516,107 of whom were involved, which comes to 64.13 percent.

As a result of this labor unrest, 9,546,716 work hours were lost in December, which is 101.23 percent more than the work hours lost in December 1978.

Throughout 1979, 1,789 strikes were recorded; 10,068,712 workers were employed in the affected companies and sectors, and 5,752,304 took part directly.

Public service strikes accounted for 27.65 percent of the total work hours lost in December, according to the same report. In December, 108,560 full-time public service workers were idled as a result of the 27 strikes (24.1 percent of the total) that hit these services. The total work hours lost from this unrest (2,631,780) represents 27.56 percent of the figure for the month.

8743
CSO: 3110

SUAREZ SAID TO INCREASE GRIP ON CABINET

Madrid EL PAIS in Spanish 18 Jan 80 p 10

[Text] The consolidation of Jose Pedro Perez Llorca as the "only" official umbilical cord between the government and Parliament, Rafael Arias-Salgado's exclusive dedication to UCD [Democratic Center Union] "policy," and the assumption by the State Secretariat of Information, headed by Josep Melia, of authority over RTVE [General Directorate of Radio Broadcasting and Television of Spain] have been interpreted in political circles as a reinforcement of Adolfo Suarez' direct control over the action of his cabinet, while simultaneously implying a greater streamlining of duties. The appointment of Ricardo de la Cierva, who will take office today, as new minister of culture, is regarded as being associated with this same line.

Ricardo de la Cierva will take his oath of office in the presence of the king after the publication of his appointment in the "Official State Bulletin," and before the opening of the Council of Ministers, which the new minister of culture will attend for the first time. Some indications point to a possible return to the Ministry of Culture of certain members of the team of Pio Cabanillas, when the latter was minister of information and tourism in 1974, in the Arias government. Ricardo de la Cierva himself was a member of that team, as general director of popular culture; however, he was not taken into the Ministry of Culture by Pio Cabanillas when the latter held that post in the first Suarez government after the 1977 elections.

Solution to the Perez Llorca-Arias Salgado "Duel"

President Suarez has taken advantage of the replacement of Manuel Clavero as head of the Ministry of Culture as a result of the upset caused within the UCD by the Centrist shift to the autonomous policy to make, almost simultaneously, minimal revisions in his cabinet which, according to reliable government sources, will not bring about new changes in the government at the moment.

Centrist sources attach particular political significance to the transfer of authority between Rafael Arias Salgado and Jose Pedro Perez Llorca, in view of the notorious conflict between the two UCD leaders. Recently,

Perez Llorca's increasing leadership within the Suarez government had prompted some sectors to predict Arias Salgado's "fall into disfavor," and his possible departure from the cabinet. The solution adopted by Adolfo Suarez, transferring to the minister of the presidency the powers heretofore exercised by the minister of relations with the Cortes, would appear to bear out this theory, although "softening" Arias Salgado's fall.

Nevertheless, high-ranking UCD officials told EL PAIS that the chief significance of this transfer of authority relates to Adolfo Suarez' desire to gain the maximum output from both ministries, whose respective cooperation he does not want to do without; at the same time preventing the convergence of duties from being a source of further friction between the two. The same sources noted that Perez Llorca personifies the Suarez government's legislative desires more than anyone else, and that the solution decided upon consolidates the natural supremacy of the Ministry of the Presidency (as coordinator of the entire cabinet's legislative initiative and the topmost authority responsible for constitutional development) in the government's relations with the Chambers.

Also, the unburdening of these relations which, up until now, have been a responsibility of Rafael Arias Salgado and have been shared to a great extent with Perez Llorca, allows the secretary general of UCD, without breaking his ties with the cabinet, nor his chairmanship of the Council of Ministers, to dedicate himself more intensively to the problems of the party, as well as to the relations with other parties, and to the coordination between the government and UCD. According to reports obtained by Europa Press, Arias Salgado may also be a kind of "ambassador" from Suarez to the various autonomous regions and communities; something which, if it were to occur, might cause a certain amount of duplication of functions with the Ministry of Territorial Administration, which is still headed by Antonio Fontan.

The assumption by the State Secretariat of Information of the administrative powers held up until now by the Ministry of Culture over RTVE and the other state mass media represents a political clarification of the real dependence on those media, especially the powerful state television network. It should be recalled that the State Secretariat for Information is directly subordinate to the president of e government; and hence the responsibility for guiding the state-run ss, radio and television in particular will come more directly under authority of Adolfo Suarez. In the case of RTVE, the significance of s fact will lie in the head of government's link with the new phase . ais public entity, once the RTVE statute, which will go into effect arly February, is initiated.

Furthermore, the measure that has been adopted belies the rumors about Josep Melia's possible promotion to minister, since the accumulation of power concentrated in his present position obviously does not make sense.

2909
CSO: 3110

ALTERNATIVE ENERGY PROJECTS UNDERWAY

Madrid ABC in Spanish 16 Jan 80 p 35

[Text] Late yesterday morning, Industry and Energy Minister Carlos Bustelo and INI [National Institute of Industry] President Jose Miguel de la Rica, signed a cooperation agreement between the Energy Studies Center and three INI companies to promote new alternative energy sources. Attention will focus on the utilization of urban waste, the possibilities of tidal energy and solar energy.

Details on the Projects

The agreement with the Adaro National Enterprise is designed to confirm the energy potential of solid urban waste; also a waste treatment plant will be installed in the province of Castellon, to be utilized by the tile industry. The budget for this project totals 72 million pesetas and will be financed in equal parts by the Energy Studies Center and the INI.

The second project, which the enterprise La Lactaria Espanola will develop through a task force made up of Aeronautical Constructions (CASA) and Gas Electricity (GESA), will involve the installation of a system to harness solar energy and produce water vapor at 180 degrees for a dairy industry located in municipal district of Alcorcon in Madrid Province. The project will utilize a parabolic mirror, a European technological innovation. Its budget totals 21 million pesetas.

Tidal energy will be the focus of the third project, which the Bazan National Enterprise will conduct with a budget of 12 million pesetas. The aim is to perform an exhaustive analysis of the existing technical options for harnessing the mechanical energy of waves and converting it into electrical energy. A design will be drawn up based on the most promising option, and a small-scale model will be manufactured and tested. This will lay the groundwork for a full-scale program that will be tested in the areas with the most active tides and the largest ocean movements.

Promotion of Nc Energy Sources

These three projects are part of the wideranging program to promote new energy sources that the Ministry of Industry and Energy is pursuing through the Energy Studies Center and the INI. The program also includes complementary activities such as the forthcoming creation of a national enterpri.e for the industrial and commercial promotion of solar panels to harness radiant energy at low temperatures, as well as the investigations under way to generate electrical energy directly from the sun.

The agreements for the three projects were signed yesterday. There is particular interest in the program to obtain energy from solid urban waste, which together with solar power, will by 1987 provide Spain with the equivalent of 2.2 million (no unit given) of fuel (oil?).

8743
CSO: 3110

POLL TESTS PARTIES' POPULARITY IN CATALONIA

Madrid EL PAIS in Spanish 22 Jan 80 p 16

[Text] The press office of the Democratic Center Union [UCD] has released the results of an opinion poll taken in Catalonia, which ranks it second choice among the Catalonian electorate in the forthcoming elections for the autonomous parliament. With this report, UCD disagrees with the results of other polls published previously, which claim that the Socialists rank first in the voters' preferences, whereas the Centrists have a very poor standing.

Also according to the UCD account, an extensive opinion poll taken from a sample of over 2,000 persons in the area of the four Catalonian provinces showed the Centrists of Catalonia [CC]-UCD to be in second place among the political forces in Catalonia, outstripping Convergence and Unity by 2.6 percent, and the PSUC [Unified Socialist Party of Catalonia] by 2.9 percent, in the predicted vote.

The aforementioned poll, "taken by the Facta-Vector company," according to the UCD communique, showed the following percentages in the overall vote:

CC-UCD, 18.2 percent; PSC [Socialist Party of Catalonia], 28.3 percent; PSUC, 15.3 percent; Convergence and Unity, 15.6 percent; Republican Left, 4.3 percent.

Insofar as the other parties were concerned, in no instance did they exceed 4 percent. The transposition of these data into number of seats would be as follows:

CC-UCD, 31 seats; PSC, 45; PSUC, 22; CiU [Convergence and Unity], 27; ERC [Republican Left of Catalonia], 7.

The Centrists-UCD would win four more seats than Convergence, and nine more than the PSUC. Of the total number of seats to be voted on, three will fail to be assigned. If AP [Popular Alliance] were to receive them, the Catalonian parliament would have a majority of non-Marxist political forces by a difference of one vote (68-67); whereas, if these three seats were to go to the PSA [Socialist Party of Aragon], that relationship would be reversed.

The contents of this poll have been made available by UCD with the comment that it is a working tool not intended to be made public; but that, because of some "inaccurate information" which has appeared concerning it, it has been published so as to "counter such interpretations."

2909
CSO: 3110

USO TO NEGOTIATE TERMS OF LABOR PACT WITH CEOE

Madrid ABC in Spanish 10 Jan 80 p 7

[Text] After a tense 5-hour debate that the principals themselves described as "very tough and very positive," the Confederated Council of the Workers Trade Union (USO) decided yesterday to negotiate with the UGT [General Union of Workers] and the CEOE [Spanish Confederation of Business Organizations] regarding its approval of the framework agreement that the two organizations signed last Saturday.

The resolution was passed with 178,729 votes in favor (55.5 percent) and 143,163 against (44.4 percent) and 5,177 abstentions, which gives an idea of the confrontation at the secret balloting. The decision came hours after the confederated secretariat of the USO met in a special session and issued a brief recommending that the Confederated Council, the union's highest body, refuse to sign the framework agreement. It so happens that in this union body, which does not have a vote on the Confederated Council, the majority is held by the faction headed by the secretary of political and union relations, Jose Maria Corell, which opposes the faction led by the secretary general, Manuel Zaguirre, who has a majority on the Confederated Council.

One of the points of the resolution states that "an indispensable condition for USO approval is the express recognition by the signers of the inter-confederation framework agreement of the USO's bargaining capability and presence in all labor union contracts in the sphere in which our union has a legally accredited status."

No Blocs Favored

"The outcome of 178,729 votes for and 143,163 votes against signing the framework agreement is a good one in a country that is used to suspicious unanimities," Manuel Zaguirre told EFE [EFE Agency].

Regarding the possibility that the USO will be prevented from appearing because it does not have the minimum 10 percent representavity required by the framework agreement, Zaguirre said that there was as yet no legal provision that would really impede it and that that was one of the issues to be negotiated.

So far, he added, there has been no negotiation with UGT on this issue, since we had to wait for the council's mandate. "The only thing that has taken place are telephone conversations with Zufiaur, an old comrade of many years, but in no instance have there been negotiations."

"Our adhesion to the framework agreement," Zaguirre explained, "does not mean that we are favoring any sort of bloc; rather, we must judge it from a purely union standpoint, independently of each union's ideological model. The important thing is that with it we will be clarifying the tangle of agreements that we have to negotiate."

No Splinter Groups

For his part, Jose Corell said that the outcome of the vote entails not a personal defeat but to a certain extent a defeat for the policy approved at the Congress, although this was to be expected, given the makeup of the council, which is to Zaguirre's advantage.

"In any case," he said, "we democratically accept the outcome of the voting, and there is not going to be any split over the issue, even though we could level the criticism that the issue has not been discussed by the rank-and-file."

"It will be our approach," he added, "to promote an internal dialectic of debate and union progress, although it is in the provincial federations and unions that a crisis could occur."

With regard to an assessment of the framework agreement, the USO political relations secretary said that it was one of the most important decisions that the organization has made in recent times, inasmuch as it represents to a degree the type of unionism that the USO is going to pursue in the future.

UGT and CEOE To Study Resolution Jointly

The UGT and CEOE have agreed that they will study, along with the USO, the resolution approving the CEOE-UGT framework agreement, and in return they will be present at labor union contract bargaining.

Jose Maria Zufiaur, the UGT's secretary of union and political relations, has pointed out that the framework agreement is open to all organizations, both employer and union, that wish to sign it, but they must all respect its provisions.

In this connection he noted that the agreement provides that the negotiating will be done by organizations with a 10 percent representativeness. The USO has not reached that level in all sectors, and therefore the three organizations must in time study the resolution of the USO's Confederated Council.

In conclusion, he said that "we are not trying to keep the USO out, nor are we granting it an exemption clause."

8743
CSO: 3110

FUENTES QUINTANA GROUP ON 1979 ECONOMIC PERFORMANCE

Madrid EL PAIS in Spanish 13 Jan 80 pp 47-49

[Text] The question "What are the basic data underlying the Spanish economy in 1980?" is tantamount to asking for a closing balance sheet for business year 1979 and the potential that it lends to the year that we have just begun. Drawing up such a balance sheet and assessing the results and problems for business year 1979 is the purpose of the following study by the Economic Situation (Coyuntura Economica) team, which is headed by Professor Fuentes Quintana and made up of Professors Lagares Calvo and J.L. Raymond and economists Julio Alcaide Inchausti, Jose Garcia Lopez and Miguel Valle.

1980: Initial Data

Accountants assert that a good balance sheet must have four qualities: it must be accurate; it must be truthful; it must be logical and it must be timely, while highlighting important elements and subordinating minor details to them.

When an attempt is made to apply these general company accounting requirements to a nationwide accounting, the first reservation that we must make involves the limitations imposed by the lack of input data. A balance sheet consists of information. It orders in accounting language the many entries that record the movements of assets in the economy that the balance sheet is dealing with. It is impossible to draft a good balance sheet without good information, and this is precisely the prerequisite that is not fulfilled in Spain's case.

It is certainly not pleasant work, nor a happy fate to draw up a balance sheet of the Spanish economy, and it is sad and regrettable to have to confess this. On the other hand, this is a well-known fact to all those whose duty or hobby it is to try and find out what is happening in Spain's economy. Twice during the past year in this same paper we referred to the dim reflection from Spanish statistics

and to their informational limitations (EL PAIS, 15 June 1979 and 25 November 1979). We must confess that these remarks, made with the best intention of helping to enhance Spanish statistics, were not heeded and met with the same fate as the repeated complaints by economists inside and outside the country over the last few years. The laments over available statistical information are always answered the same way, with the assertion that statistical limitations are widespread in all countries and that we ought to settle for what we have: here are the lentils; if you want them, eat them; if you do not, leave them.

This situation in Spanish statistics is unfortunately going to continue, because it does not seem as if anyone is interested in improving the data that are available for observing economic activity. Nevertheless, as long as statistical information in Spain does not improve, those of us who must utilize and put up with it are obliged to repeat our complaints and to stress the far-reaching economic and political significance of its limitations. The fact is, we must again stress that the serious shortcomings in Spanish statistical information that hamper the drafting of an annual balance sheet do not only entail difficulties in coming up with detailed, erudite and thoughtful information on activities in our economy. No. Accurate, truthful and timely accounting of national economic activity is needed for more than just to satisfy the praiseworthy desires for economic information. Correct accounting is indispensable in developing a rational economic policy, in discussing and contrasting its foundations and effects, which are essential conditions for a democratic economic policy, and in verifying whether the agreements among social groups or institutions with regard to basic variables have been carried out.

We are not making this reference to the informational limitations imposed by the status of Spanish statistics to excuse the defects due to our own limitations, which we recognize in advance and which will unquestionably affect the balance sheet that we endeavor to offer for 1979. Rather, we are making it to assert that accuracy, veracity and precision are impossible in any balance sheet on our economy. Whoever draws one up will grope in annoying perplexity caused by the lack of statistical information. We could well state that drawing up a balance sheet for Spain's economy is an exercise in guesswork because of the semi-darkness created by the limited statistical data that are available. It is this difficult exercise that we have attempted in the following study.

Results of Production Activity

No matter how great a sense of distinction Spanish economists possess (and it is not slight), it is very difficult to be original when it

comes time to summarize the economic development of Spanish production in 1979. With a few tenths this way or that, the various balance sheets for 1979 are going to show a gross domestic product growth no different from the one in the macroeconomic table that we offer below: 1.6 percent. Some would like to push it upwards to around 2 percent; others would like to pare it back to around 1.4 percent. But the input data for arriving at the figure make it impossible to present fundamentally diverging estimates. Growth in 1979 was modest, it being a year in which domestic political developments and world economic events greatly affected production expectations and the behavior of economic factors.

It is perhaps more useful to spell out the forces that conditioned the rate of growth than to insist on one figure or another. Developments in Spanish production seemed to be characterized by these four elements in 1979:

--A drop in the domestic output of the primary sector (agriculture and fishing) of 2.5 percent with respect to 1978;

--A 1.4 percent rise in the output of the secondary sector (industry and construction), resulting from two different growths, one positive, industry (2.5 percent), and the other negative, construction (-2.4 percent);

--Growth in the tertiary sector, which our balance sheet puts at 2.5 percent in 1979. This growth reverses the trend in the sector since the crisis, a sector that had offered a most promising picture, with average annual growth rates of about four percent.

--From a production standpoint, 1979 presents two distinct profiles, in the opinion of most: a dynamic first half and a second half of more sluggish growth, both in terms of poorer production figures and as a result of the terms of comparison, inasmuch as the second half of 1978 showed higher output growth figures than the first.

When these four results for 1979 are contrasted with the previous year's, a number of major differences emerge. The outstanding growth of the primary sector (mentioned above) contrasts with the contraction in output during the current fiscal year. On the other hand, the secondary sector showed better results last year than in 1978, as a result of more or less equal performances in industry (2.1 percent in 1978 compared to 2.5 percent in 1979) and a much worse performance in the construction sector in 1978 than in 1979 (-4.8 percent in 1978 as against -2.4 percent in 1979). The tertiary sector, however, offered better results in 1978 (4 percent) than last year, when the falloff in tourism and related activities could be clearly seen in the lower figures.

In other words, agriculture and services did better in 1978 than in 1979, and the weakness of these two sectors in 1979 explains the lower growth rate of the gross domestic product.

In this review of the forces that were behind production developments in 1978 and 1979, we cannot overlook the main problems that the new year has inherited from them. The contraction of the real income of farmers (which according to the Agriculture Ministry is due mainly to the mounting costs of farm inputs and the prices paid to farmers throughout the year) has created a troublesome climate in our rural regions that is going to condition economic developments in 1980. It is important to identify this problem that we are going to experience this fiscal year as a problem inherited from the outcome in production and income in 1979.

In addition, as far as services are concerned, the legacy of 1979 is a worrisome outlook for the performance of one of our country's finest assets: its tourism. For the first time, tourism showed a major falloff in 1979, which forces us to discuss how to deal with it properly for this year. It is true that a number of decisions and steps have been taken as preventive measures, but it would still be a good idea to try and closely monitor tourism-related problems and have all of the sectors involved (businessmen, workers and government) provide the appropriate solutions. It will not be easy to conduct a brilliant campaign this year, because in a year of zero growth in the OECD countries we cannot expect demand for a service so closely tied to income developments such as tourism to show positive growth. Nevertheless, the experience of 1979 in two specific points (tourist sector prices and irregularities in services owing to grievance movements, with a resulting drop in service quality) ought to cause the entire sector (including workers) to make realistic and responsible decisions.

The 1979 Balance Sheet from the Demand Side

If we look at fiscal year 1979 from the demand side, we can see a number of basic characteristics that determined the behavior of variables in 1979:

1. Economic growth this past business year was sustained by domestic demand, not by the foreign balance, as in 1978. In other words, the engine of growth was within, not outside our economy.

2. The decisive factor in domestic demand was the increase in private spending, which our balance sheet puts at 1.8 percent and which was a leading element in overall national expenditures. Backing up the positive developments in private spending were the growth in wages and other forms of income, a lighter direct tax burden and major growth in social benefits.

3. Despite its limited nature, the most outstanding new development in domestic expenditures was the growth in gross domestic capital formation, according to our calculations. To the extent that this development means anything (given the provisional nature of Spanish data), it seems clear that the decline in investment, which has been constant since the onset of the crisis, has touched bottom and that for the first time since 1974, the investment rate is not negative. The rate was still negative in 1978. Several different forces interreacted to produce this result. On the one hand, there was the negative component of investment in construction, and on the other the positive factor of increases in stocks and in public investment at rates around three percent higher than in 1978. If we bear in mind that the investment rate in 1978 was a minus 4.5 percent, we can conclude that this is an important turnaround in a longstanding trend. Investment developments in 1979 must be linked to increased imports. Capital goods play a very important role in Spain's imports, accounting for about 22 percent of total imports, excluding crude oil. This category of Spanish imports has been rising in recent years at a fast pace, 9.4 percent in the year just completed (as of November). These figures are of basic importance in understanding the adjustment process that the Spanish economy is going through. Increased capital goods imports are enabling our economic system to achieve enhanced productivity, which increased at a rate of around 3.6 percent in 1979. The greater investment in goods that bring in technological innovations that fuel economic growth runs parallel, and not by chance, with lower employment figures. Investment is thus a variable whose growth has little to do with more jobs.

In this regard, it is interesting to note what the main capital goods imports are and what basic sectors are affected by these investments that bring in new technologies. Table 3 below offers readers an initial response to this interesting question. As we can see, in 1979 farming was a major target of these capital goods, followed by telecommunications devices and all of the office equipment to process information (magnetic readers and data processing equipment).

4. There were some new developments in the foreign sector in 1979. On the positive side we had sustained merchandise exports (despite the difficulties), which began to fall off during the latter part of the year but which still increased their market shares, thus continuing a prior trend. On the negative side we had the decline in services exports and the mounting difficulty that our exports had in penetrating markets. We should perhaps add that the foreign sector had its best days in the 2½ years since the adjustment of the peseta in July 1977 and that from now on there are going to be more tough days than easy ones. The investment rebound should continue in the future, and this will necessarily pull imports along. World trade is going to show more sluggish growth rates, around four percent, and

this is going to curb the export potential of all countries, ours as well, of course. On the other hand, developments in the capital account in 1980 will entail sizable amounts of imports that will hardly be able to tolerate drops in the exchange rate with which to facilitate exports. Given this context and with sizable foreign reserves, it is highly unlikely that Spain's export problems are going to be accorded a political hearing. The country is thus running the risk that during the next business year the allocation of resources to the external sector will no longer be marked by the dynamism and strength of previous years. All of this does not, however, present serious dangers for 1980. The country has sizable reserves, and a trade balance deficit of around $2.5 billion would not create major problems, bearing in mind that the expected capital account for this year will be a strong offsetting factor. Nevertheless, if export development is delayed in 1980, it will have major consequences in succeeding years. If Spain loses markets in 1980, it will not readily regain them in future years. Exporting is not an activity that is destroyed and generated automatically; it requres ongoing diligence and devotion, if the opportunities gained are not to be lost. Therefore, we ought to ask ourselves whether we can devise a new trade policy whereby the private and public sectors can work together decisively to vary the organization of our foreign trade. Wouldn't it be advisable to set up a new trade structure to achieve export gains? In any case, this change should be complemented by the capital account through direct foreign investment, by virtue of which Spain has in recent years achieved export goals that very few people thought possible.

Developments in Prices

To close this survey of initial data for 1980, we must discuss the behavior of prices and compare them with 1978 figures. The middle of Table 2 shows the main changes in each of the economic aggregates. A major feature is the reduction in the inflation rate for all of them. This slower inflation, secured through efforts over two business years, is perhaps one of the most salient input data for our economy, and it is to be hoped that the results are the same at the close of 1980, but the continuation of raging energy prices is going to severely hamper our economic progress in 1980. The current year demands that economic policy-makers adopt a series of decisions. They must not be delayed and must in no way be limited to determining realistic energy prices; rather, they must encompass the broader and more complex field of all the adjustments required by the economic crisis that we are undergoing.

Economic Balance Sheet for 1979

Table 1, Macroeconomic Estimates for 1979 (in billions of pesetas)

	1978	%change (in constant prices)	1978 (in 1978 prices)	%change in prices	1979 (in current prices)	%change (in current prices)
GDP at market prices	11.2763	1.6	11.4601	15.5	13.2377	17.4
Private expenditures	7.663	1.8	7.8044	15.8	9.0412	18.0
Public expenditures	1.1885	5.5	1.2539	15.5	1.4483	21.9
Gross domestic capital formation	2.3294	0.1	2.3317	14.5	2.6698	14.6
Domestic demand	11.1809	1.9	11.3900	15.5	13.1593	17.7
Exports	1.6497	8.4	1.7876	7.0	1.9127	15.9
Imports	1.5543	10.5	1.7175	6.8	1.8343	18.0
Net external balance	+95.4		+70.1		+78.4	
GDP at factor costs	10.6994	1.6	10.8738	15.7	12.5810	17.6
Primary sector	.952	-2.5	.9282	10.5	1.0257	7.7
Secondary sector	3.8906	1.4	3.9433	13.6	4.4789	15.1
Industry	2.9809	2.5	3.0554	13.2	3.4587	16.0
Construction	.9097	-2.4	.8879	14.9	1.0202	12.1
Tertiary sector	5.8568	2.5	6.0023	17.9	7.0764	20.8

Table 2, Main Economic Results of 1978-1979

	Real Changes		Price Changes		Changes in Current Prices	
	1978	1979	1978	1979	1978	1979
GDP at market prices	2.5	1.6	20.3	15.5	23.8	17.4
Private expenditures	1.6	1.8	19.4	15.8	21.3	18.0
Public expenditures	5.5	5.5	22.3	15.5	29.0	21.9
Gross domestic capital formation	4.5	0.1	19.0	14.5	13.7	14.6
Domestic demand	0.8	1.9	19.4	15.5	20.4	17.7
Exports	12.3	8.4	14.8	7.0	28.9	15.9
Imports	-0.1	10.5	6.7	6.8	6.6	18.0

GDP at factor costs	2.8	1.6	20.7	15.7	24.1	17.6
Primary sector	5.0	-2.5	14.3	10.5	21.0	7.7
Secondary sector	0.5	1.4	19.2	13.3	19.9	15.1
Industry	2.1	2.5	15.4	13.2	17.8	16.0
Construction	-4.8	-2.4	33.7	14.9	27.3	12.1
Tertiary sector	4.0	2.5	22.8	17.9	27.7	20.8

Main Capital Goods Imports

Table 3, Cumulative Value from January to October 1979 (in billions of pesetas)

Item No	Category	1978	Breakdown	1979	Breakdown	% Change
711	Electric power generators	18.919	9.3	17.683	7.9	-6.5
712	Power generators and equipment for agriculture	8.976	4.4	11.812	5.3	+32.0
714	Office equipment	23.056	11.3	26.435	11.9	+15.0
718	Machinery for special industries	12.893	6.4	13.703	6.2	+6.3
719	Non-electrical machinery and equipment and parts	53.144	26.2	53.981	24.3	+1.5
722	Electric generators	13.763	6.8	14.562	6.6	+5.8
724	Telecommunications devices	14.743	7.1	17.145	7.7	+18.5
729	Other electrical machinery and equipment	25.243	12.4	28.213	12.7	+11.8
734	Aircraft	5.052	2.5	11.111	5.0	+119.9
		175.518	86.3	194.645	87.6	

Note--724: 85.13 electrical devices for wire telephony and telegraphy, including electrical telecommunications devices; 714: 84.51; 84.52 calculating, accounting and recording equipment; 84.53, information processing, magnetic readers, data processing equipment.

Agriculture 1979

The basic data for agricultural output in 1979 are as follows:

1979 Farm Aggregates

Categories	1979 (in billions of pesetas)	Percent Changes from 1978		
		Real	Price	Monetary
Final output	1.3232	-1.2	8.8	7.5
Farm	.6774	-2.4	5.0	2.4
Livestock	.5622	+0,6	13.1	13.8
Other lines	.0836	-1.9	14.3	12.0
Expenditures	.4446	+2.4	13.8	16.5
VAB (pm) [expansion unknown]	.8786	-2.8	6.6	3.6
Farm income	.8530	-3.0	6.4	3.1
Wages and social security contributions	.2196	-4.5	16.7	11.5
Net surplus	.6334	-2.6	3.2	0.5

As we can see from the above data, the ultimate decline in farm production is one of the new developments on the 1979 economic balance sheet. The explanation for the drop is the exceptional comparison year of 1978. Nevertheless, the 1979 figures are in keeping with the growth trend that the sector has recorded throughout the 1970's.

Inconsistency is another of the features revealed by an analysis of farm output developments in 1979. Significant expansions (wine, pork, etc) are accompanied by definite falloffs (grains, beef, etc), thus highlighting some of the imbalances that are already traditional in our agriculture. We can also not ignore this year's reaffirmation of the structural change in meat supplies (drops in beef and mutton have been satisfactorily offset by expanded pork output).

A basic feature of the 1979 farm year was the approximately 2.4 percent rise in input costs, which had a very negative impact on farm income, which is estimated to have dropped 3 percent. This development and, above all, the change in the ratio between prices paid and prices charged, fueled tangible dissatisfaction in rural areas in the wake of 1979 results. Residents of these areas often state that farm prices have been kept below the previous year's. This is true but requires some clarification. We can, in fact, say that farm prices peaked in late 1978. From that point on, there has been a constantly downward trend in prices, and thus the assertion is valid in terms of certain forms of compensation.

Nonetheless, the average month-to-month rise in final output prices is 8.8 percent, which contrasts with other economic activities, but

which is not negative (it would only be so during the last part of the year). In contrast, inputs prices have behaved differently, except for fodder, for which the constant year-to-year rate has been practically the same (9-10 percent). The month-to-month average is below 14 percent. Consequently, it is now that the cost-price ratio is most worrisome for the farm sector. This situation entails clear-cut difficulties for farm price negotiations this year and represents one of the problems that 1980 has inherited from 1979.

Industry 1979

The two basic components of the industrial sector behaved in dissimilar fashion in 1979. Thus, manufacturing, mining and energy output was up 2.5 percent, whereas building was down 2.4 percent. The overall growth of the secondary sector was 1.4 percent.

Perhaps the most debatable figure is for real activity in the construction sector. Based on available data on demand for cement, protected housing construction, employment level and the opinion of business, there was an estimated 2.4 percent drop in the value of gross additions to the construction sector in constant prices. SEOPAN [Group of Public Works Enterprises of National Scope] estimates, however, show that construction activity declined even more, although its figures are not final.

The 2.5 percent rise in industrial output (excluding construction) is backed by available data on the increase in the demand for electricity (7.1 percent as against 5.6 percent in 1978), exports of industrial goods (12.4 percent over the first 10 months of the year) and imports of raw materials and intermediate goods for the industry (17.8 percent over the first 10 months of the year).

The industrial production index (base 1972) that the National Statistics Institute draws up is far from being up-to-date and is hardly reliable for any of the sectors it deals with, especially processed metal goods, which are not sufficiently represented in the index. For the first 7 months of the year the index shows a rise of 7.5 percent in energy and 3.7 percent in mineral extraction, basic metal industries, construction materials, glass and ceramics, and the chemical industry. All other manufacturing industries (except processed metals) increased 4.9 percent, with sizable gains in the food (6.5 percent) and textile (10 percent) industries. Output was also up in the leather, wood and cork, paper and graphic arts, and rubber and plastics industries.

On the other hand, there was a decline in the production of automotive vehicles, electrical machinery and equipment and other

transportation equipment. The output of household appliances, electronic equipment and machinery and equipment for industry was very similar to the previous year's. When the production categories included in the index are duly weighted (two-thirds of industrial output, excluding construction), the growth rate is put at 3.6 percent. Economic indicators pointed to a downturn in industrial production during the second half of the year, which should cut the rates for the first 7 months of the year to about the rates that we have estimated.

Developments were irregular in the various industrial sectors in 1979. Lower output figures in garments,construction materials, transportation equipment and electrical equipment and machinery ran parallel to higher production in mining, energy, basic metals, chemicals, textiles and foodstuffs. As a whole, the industrial sector expanded, with the strength of the growth sectors prevailing over the sectors with declining output.

Services and Trade 1979

The tertiary sector was the fastest growing sector in the Spanish economy in the years before the energy crisis, and this strength was also seen in the 5 years since the crisis. From 1974 to 1978 the overall growth of trade and services activities totaled 20 percent, a sizable increase, with an average cumulative rate of 3.7 percent a year.

The trend was reversed in 1979, as the growth rate dropped to a modest 2.5 percent, as against the 4 percent achieved in 1978. The figure is the result of an approximate three percent drop in foreign tourism, slower activity in rail and maritime transport and a fall in domestic trade. Air and probably road transport will show modest growth. The sectors that developed positively, thus spurring the growth of the tertiary sector as a whole, were foreign trade in merchandise and the higher employment level in public administration, which is part of the increase in public expenditure.

The increase in gas oil consumption at a rate that could top six percent cannot be attributed to a parallel rise in land transport, inasmuch as the developments in domestic demand would not allow us to ascribe such a high rate to transport activity. The explanation for this figure is probably the substitution of gas oil for fuel oil.

As we can gather from the index of sales at major stores, the growth rate for internal trade moved downward, inasmuch as the rise in the value of sales in current pesetas is insufficient to cover price increases. Even though the index does not take into account all of

the sales areas in the major commercial establishments, it is representative of the prevailing trend, which was downward throughout the year.

In conclusion, the tertiary sector grew at a considerably slower pace than in 1978. Its estimated growth was 2.5 percent, and this was basically due to the serious new development during the year: the falloff in foreign tourism, which adversely affected hotels, business, passenger transportation, entertainment and other personal services.

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'GUNAYDIN' CLAIMS STRONG ORGANIZATION BEHIND ANARCHISTS

NC131003 Istanbul GUNAYDIN in Turkish 11 Feb 80 p 5 NC

[Article by Can Pulak: "Let Us Give This Performance a Name"]

[Excerpts] I am afraid 1980 will be worse than last year. We are heading toward worsening conditions. Not a vestige of peace is left in our country. Everyone is worrying about the future. In short, life has lost its attraction.

We do not seem to have learned much from the experiences of the foregoing year. The trend in events is not very encouraging. Incidents are escalating, unrest increasing and the whole situation is exasperating. While trying to suppress anarchy, we are simultaneously creating such a dreadful dearth and scarcity through devaluation that we push new and helpless supporters into the laps of the architects of the current wave of terror. The anarchists, of course, never fail to evaluate this opportunity properly. Under these circumstances, anarchy has changed tactics and began to escalate. The target is now crystal clear. It is high time we identified this target and the intrigues in Turkey. They wish to bring about the collapse of the regime and to usher in communism in Turkey. The changing tactics of anarchy and its frightening operation plans cannot be the work of teenagers. This calculated escalation points to the existence of a strong organization. This existence must now be acknowledged and the powerful enemies of Turkey hiding behind the scenes must be hunted.

It must not be forgotten that the Turkish nation and state is capable of breaking this chain of treachery, which aims at besieging it from within. No one should entertain any doubts about this. Provoking the workers, attempting to drag the students into the streets and using poverty, literature alongside the automatic weapons will not change the outcome. It will only cause loss of time, delay the establishment of peace and tranquillity, and further distress for the people. No matter what people may say or do, communism does not stand the slightest chance in Turkey. Those who argue this are ignorant of the communal structure and the realities of Turkey. The people of Turkey love freedom, not slavery or any form of dictatorial system.

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